

**MAKERERE UNIVERSITY BUSINESS SCHOOL
MASTER IN BUSINESS ADMINISTRATION
COURSE OUTLINE**

COURSE NAME : AUDIT AND ASSURANCE
COURSE CODE : MBA 8104
COURSE LEVEL : 2
CREDIT UNITS : 3
CONTACT HRS : 45

COURSE OBJECTIVE

The course is designed to enable students at the Master's level to understand and appreciate the procedures involved in engaging in, planning, performing/executing, and reporting on audits and other assurance services. Additionally, the course offers students key insights into the regulation of auditors, their legal liabilities, and the ethical requirements they must meet. The course will also prepare and develop a student's knowledge and skills in the specialised audit area, including other assurance services, Internal Auditing, Fraud and Investigations that are essential in effective management of businesses. The course concludes with a discussion of research in auditing and assurance as well as emerging issues that impact business management.

COURSE LEARNING OUTCOMES

On completion of the course, a student should be able to:

1. Evaluate and advise on engagement, execution and reporting methods, roles and functions of the external auditors
2. Evaluate and advise on the regulatory, professional and ethical issues relevant to the execution of audits and other assurance engagements.
3. Evaluate and engage management on the external auditors' requirements to prepare and document tests to be performed to obtain sufficient appropriate audit evidence
4. Evaluate and advise on the performance and management of the internal audit function as well other assurance and non-assurance service options
5. Evaluate and advise on fraud, anti anti-money laundering requirements of entities and auditors
6. Assess and be abreast with emerging issues in auditing as well how to undertake research and advance knowledge in auditing.

Topic 1 : Meaning, Purpose and Objectives of Auditing
11th August 2025 - 22nd August 2025 : Prof. Twaha K. Kaawaase
<ol style="list-style-type: none"> 1. An overview of the Meaning, Purpose and Objectives of auditing in line with ISA 200 2. Responsibilities of Management and the Auditor over the financial statements that show a True and Fair view 3. External audit as a reasonable assurance engagement and the audit expectation gaps (Knowledge Gap, Performance Gap and Evolution Gap) 4. Audit of LCEs and Justification for Audit of Less Complex Entities (ISA for LCEs)
Topic 2: The Regulatory Framework of Auditing and Ethical requirements for auditors
25th August 2025 – 12th Sept 2025: Prof. Twaha K. Kaawaase
<ol style="list-style-type: none"> 1. Need for Regulation of Auditing and Auditors 2. The Legal Regulatory framework of auditors in Uganda

- The Companies Act 2012 and appointment, eligibility/ disqualification from appointment, remuneration and removal of auditors
 - The Accountants' Act, 2013 and the role of the Institute of Certified Public Accountants of Uganda
3. The International Regulatory framework of auditors
- The International Auditing and Assurance Standards Board (IAASB) and the development and advantages of extant Auditing Standards (International Standards on Auditing / ISAs)
 - The International Ethics Standards Board for Accountants (IESB) and the Code of Ethics for Accountants and Auditors
 - The fundamental principles of the code of ethics
 - The threats to the principles of the code of ethics
 - The Safeguards to mitigate the threats
4. The Corporate governance regulatory framework of auditors
- Principles of good corporate governance
 - The role and responsibilities of the Board of Directors and the Audit Committee over auditing in entities (external auditors and internal auditors)
 - Audit Committees' structures, roles, and responsibilities.
5. Ethical Dilemmas of Auditors
6. Legal Liabilities of Auditors [Civil Liability (Contractual & Tortious Liability); Criminal Liability and Professional Liability

Topic 3 : Audit Execution and Audit Evidence

15th Sept – 26th Sept 2025 Mr Frank Kabuye

1. Audit client acceptance and continuation procedures – obtaining audit work, procedures before and after the appointment of the external auditor, preconditions for an audit, the audit engagement letter – its importance & contents [ISA 210 : *Agreeing Terms of Audit Engagements*]
2. Meaning of Audit evidence and procedures for obtaining evidence, the quality and quantity of audit evidence [ISA 500: *Audit Evidence*]
3. Meaning and purpose of audit planning [ISA 300: *Planning an Audit of Financial Statements*]
4. Applicability of Traditional approaches: substantive, balance sheet, and systems-based
5. Usage of Modern approaches: risk-based auditing, decision-centric auditing, and forensic/investigative approaches
6. Technology-driven approaches (data analytics, continuous auditing, AI-based audit tools)
7. Evolution from traditional to modern risk-based auditing
8. Comparative strengths and limitations of audit approaches
9. How audit approaches align with internal controls and risk management
10. The meaning of audit working papers and the need for audit documentation [ISA 230 R : *Audit Documentation*]
11. Quality Management for an Audit of Financial Statements [ISA 220 Revised: *Quality Management for an Audit of Financial Statements*]
12. The International Standard on Quality Management (ISQM) 1 & 2
13. Planning and execution of Group Audits

Topic 4: Audit Completion and Reporting
29th Sept – 10th Oct 2025 : Mr Frank Kabuye
<ol style="list-style-type: none"> 1. The meaning of and the need to audit subsequent events; the going concern assumption 2. Consideration of compliance with laws and regulations (ISA 250 Revised) (Categories of laws entities are expected to comply with: Laws and regulations that have a direct impact on financial statements (e.g., tax laws, accounting standards) and those that have an indirect impact (e.g., environmental regulations, labor laws; Management's responsibility to ensure compliance; Money Laundering and Terrorism Financing laws; Auditor's responsibility and procedures on laws and regulations; 3. The meaning of and purpose of written representation [ISA 580] 4. Issuing and discussion of Management letters 5. The audit report format and contents [ISAs 700, 701, 705, 706 etc] <ul style="list-style-type: none"> • Forming an opinion on the audited financial statements • Modifications on the audit opinion – causes and types of modification • The meaning and purpose of emphasis of matter and Key Audit Matters (KAM) – ISA 701 ® in the auditor's report • Other Matters Paragraph in Audit Reports (ISA 706, Revised)
Topic 5: Other Assurance Engagements and Auditing in the Public Sector
13th Oct – 17th Oct 2025 : Prof. Twaha Kaawaase
<ol style="list-style-type: none"> 1. Elements of assurance engagements and Levels of assurance 2. Introduction to Review engagements, Agreed Upon Procedures engagements and Compilation engagements 3. Differences and similarities between the various types of other assurance and non-assurance engagements 4. Assurance Services other than Audit or Review engagements 5. Auditing in the Public Sector and the Office of the Auditor General 6. International Standards of Supreme Audit Institutions (ISSAIs) or INTOSAI Auditing Standards for Public Sector Entities as approved by INCOSAI.
Topic 6 Internal Auditing
20th Oct – 31st Oct Mr Frank Kabuye
<ol style="list-style-type: none"> 1. The meaning of an Internal audit 2. The need for internal audit, functions, differences between internal and external audit, its evaluation by external auditors, its limitations, outsourcing internal audit, and the relationship between internal auditing, risk management and compliance functions. 3. Regulatory framework for internal auditing – the Global Internal Audit Standards (GIAS), the Financial Institutions Act, 2004 (as amended); the Financial Institutions (Corporate Governance) Regulations, 2024; the Public Finance Management Act, 2015; the Local Government Act, 1997 (as amended) etc. 4. Internal audit reporting <ul style="list-style-type: none"> • The Purpose of Audit Reporting <ul style="list-style-type: none"> ❖ Audit reporting guidance, ❖ Purpose of audit reporting, ❖ Audiences for audit results, and ❖ Audit reporting limitations.

- Audit Reporting Tasks
 - ❖ An overview of the internal audit reporting process, and
 - ❖ Tasks associated with the audit reporting process.
 - Writing the first draft of the audit report.
 - Obtaining observation/finding vetting and supervisory review.
 - Socializing the report with the activity under review.
 - Incorporating management's response and action plans.
 - Finalizing the audit report.
- Audit Reporting Structure (Internal Audit).
 - ❖ Audit reporting elements.
 - ❖ Communication of audit results.
 - ❖ Other reporting considerations.
- Communicating Audit Results
 - ❖ Methods to develop and present audit results.
 - ❖ Developing an interim report or memo.
 - ❖ Audit reporting formats.
 - ❖ Comparisons of audit reporting structures.
 - ❖ Conducting supervisory reviews.

Topic 7: Forensic Audits and Investigations

3rd Nov – 12th Nov 2025 Mr Frank Kabuye

1. Forensic accounting, forensic investigation, forensic audit and fraud examination
2. Application of forensic auditing (fraud, negligence, insurance claims)
3. Back duty investigations
4. Investigative procedures
5. Fraud, Illegal acts and Auditor's responsibility concerning fraud in an audit of financial statements (*ISA 240 (Revised)*)
6. Money Laundering and Terrorism Financing – The Anti Money Laundering Act, 2013; meaning of Money Laundering; Accountable persons etc

Topic 8 : Research and Advances in Auditing and Assurance (Key Emerging Issues)

13th Nov 2025 - 20th Nov Prof Twaha Kaawaase

1. The role of research in advancing auditing and assurance practice
2. Key themes in audit research: Audit quality and independence, Auditor judgment and decision-making, Audit expectations gap, Audit market concentration and competition, and Assurance on non-financial reporting (e.g. ESG Reporting and Sustainability assurance - The International Standard on Sustainability Assurance ISSA 5000).
3. Research methodologies commonly used in audit studies (archival, experimental, survey, case study, mixed methods)
4. Critical review of influential academic articles in auditing and assurance
5. Translating research findings into practice and policy (audit regulation, corporate governance reforms)
6. Emerging areas for research: Artificial Intelligence and auditing, Sustainability Assurance and

MODE OF DELIVERY

- Lectures
- Workshops
- Discussions and Presentations
- Guest lectures

MODE OF ASSESSMENT

Continuous assessment (Tests, Class presentations, Assignments)	40%
Final examination	60%

LECTURERS

1. CPA Prof. Twaha Kigongo Kaawaase (Ph.D.; FCCA) - 0772525235
2. CPA Frank Kabuye - 0785 530322

REFERENCES

- IAASB Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements (Vol I and II) Available at <https://www.iaasb.org/publications/2021-handbook-international-quality-control-auditing-review-other-assurance-and-related-services>
- International Standards on Auditing Handbook, International Federation of Accountants Publications, <http://www.ifac.org>.
- [Kaawaase, T.K., Bananuka, J., Tumwebaze, Z. and Musimenta, D.](#) (2022), "Do energy and firm characteristics matter for sustainable development practices? An empirical evidence", *International Journal of Energy Sector Management*, Vol. 16 No. 4, pp. 747-773. <https://doi.org/10.1108/IJESM-03-2021-0007>
- [Kaawaase, T.K., Assad, M.J., Kitindi, E.G. and Nkundabanyanga, S.K.](#) (2016), "Audit quality differences amongst audit firms in a developing economy: The case of Uganda", *Journal of Accounting in Emerging Economies*, Vol. 6 No. 3, pp. 269-290. <https://doi.org/10.1108/JAEE-08-2013-0041>
- [Kaawaase, T.K., Nkundabanyanga, S.K.; Nakukenge, I.; Bananuka, J and Mukyala V](#) (2021), "Professional Scepticism and Audit quality Uganda", *An ICPAU Research Grant Report*, Available at : <https://www.icpau.co.ug/sites/default/files/downloads/PROFESSIONAL%20SKEPTICISM%20%26%20AUDIT%20QUALITY%20IN%20UG.pdf>
- IAASB Framework for Audit Quality <https://www.iaasb.org/publications/framework-audit-quality-key-elements-create-environment-audit-quality-3>
- Kassim Alinda, Sulait Tumwine, Twaha Kaawaase , Ståle Navrud, Irene Nalukenge and Arthur Sserwanga (2022), " Sustainability Practices among Manufacturing Firms in Uganda: An Overview of Challenges and Opportunities" *Advances in Research* 23(1): 1-21, 2022
- [Bananuka, J., Nkundabanyanga, S.K., Kaawaase, T.K., Mindra, R.K. and Kayongo, I.N.](#) (2022), "Sustainability performance disclosures: the impact of gender diversity and intellectual capital on GRI standards compliance in Uganda", *Journal of Accounting in Emerging Economies*, Vol. 12 No. 5, pp. 840-881. <https://doi.org/10.1108/JAEE-09-2021-0301>
- [Bananuka, J., Nkundabanyanga, S.K., Kaawaase, T.K., Mindra, R.K. and Kayongo, I.N.](#) (2022), "Sustainability performance disclosures: the impact of gender diversity and intellectual capital on GRI standards compliance in Uganda", *Journal of Accounting in Emerging Economies*, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/JAEE-09-2021-0301>.

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- xi. Tumwebaze, Z., Bananuka, J., Orobias, L.A. and Kinatta, M.M. (2022), "Board role performance and sustainability reporting practices: managerial perception-based evidence from Uganda", *Journal of Global Responsibility*, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/JGR-08-2021-0072>.
- xii. Bananuka, J., Tumwebaze, Z. and Orobias, L. (2019), "The adoption of integrated reporting: a developing country perspective", *Journal of Financial Reporting and Accounting*, Vol. 17 No. 1, pp. 2-23. <https://doi.org/10.1108/JFRA-09-2017-0089>
- xiii. Tumwebaze, Z., Bananuka, J., Kaawaase, T.K., Bonareri, C.T. and Mutesasira, F. (2022), "Audit committee effectiveness, internal audit function and sustainability reporting practices", *Asian Journal of Accounting Research*, Vol. 7 No. 2, pp. 163-181. <https://doi.org/10.1108/AJAR-03-2021-0036>.
- xiv. Flesher, D.L., Samson, W.D. and Previts, G.J. (2003), "The origins of value-for-money auditing: the Baltimore and Ohio Railroad: 1827-1830", *Managerial Auditing Journal*, Vol. 18 No. 5, pp. 374-386. <https://doi.org/10.1108/02686900310476846>.
- xv. Bringselius, L., 2018. Efficiency, economy and effectiveness—but what about ethics? Supreme audit institutions at a critical juncture. *Public Money & Management*, 38(2), pp.105-110.
- xvi. Orobias, L., Nturaninshaba, R., Bananuka, J. and Reuel Dakung, K. (2021), "The association between accountant's competences, organisational culture and integrated reporting practices", *Journal of Financial Reporting and Accounting*, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/JFRA-01-2021-0027>.
- xvii. Soltani, B., 2007. *Auditing: An international approach*. Pearson education.
- xviii. Other Peer Reviewed Journal articles relevant to the respective topics