

MAKERERE UNIVERSITY BUSINESS SCHOOL
Faculty of Commerce
Department of Auditing and Taxation

Programme: Bachelor of Business Administration (Management Accounting Option) AY 2026/2027
Course Name: Internal Auditing
Course Code: COM3140
Course Level: 3

Student Guide: Topics 6 and 7 — Performing Internal Audit Services

This guide explains what you will study, what your group must produce, and how you will demonstrate competence in performing internal audit services. Use it to plan your reading, group work, presentation and individual assessment.

Quick Start

- Join your assigned group of ten and agree on responsibilities.
- Read Domain V of the Global Internal Audit Standards (attached on the eLearning platform), especially Standards 13, 14 and 15.
- Read the assigned ACCA Audit and Assurance Book [BPP Learning Media] Topic on Audit evidence / Audit of Financial Statements.
- Prepare the required group outputs and keep evidence of your contribution.
- Participate in feedback sessions, the group presentation and the individual follow-up task.

Step	What You Will Do	Who Is Responsible	What You Must Produce	Competences You Will Develop
1	Join a group of ten students and agree on roles and responsibilities.	Course leaders for Groups A, B, C and D	A balanced group with a group leader and clearly agreed responsibilities.	Teamwork, coordination, accountability and collaborative learning.
2	Read the Global Internal Audit Standards, focusing on Domain V: Performing Internal Audit Services (Standards 13, 14 and 15).	Student groups	Concise reading notes or a short group briefing explaining the processes, procedures and documentation used to perform internal audit services.	Interpret and apply the Global Internal Audit Standards when planning, performing and communicating internal audit work.

3	Read the ACCA Audit and Assurance (AA) Study Text [Book] (2025/2026 or 2026/2027), focusing on: • Financial-statement assertions and audit evidence • Substantive procedures and analytical procedures • Audit sampling and evaluation of results • Audit procedures for specific balances and transactions • Automated tools, audit software and data analytics • Reliance on the work of others and service organisations • Audit techniques for not-for-profit organisations	Student groups, guided by the Facilitator	Prepare and deliver a group presentation showing how to audit your assigned area. Include the relevant assertions, risks, evidence and audit procedures. Possible audit areas: tangible and intangible assets; inventory; receivables; bank and cash; equity (Share capital, reserves and directors' remuneration); Non-current liabilities, provisions and contingencies; payables and accruals; revenue; expenses and payroll; branch and centralised operations; ICT and business technology; compliance; risk management; human resources; internal audit quality assessment; credit; treasury; legal and company secretariat; organisational strategy; and governance.	Design and explain audit procedures; identify appropriate evidence; apply sampling and data-analytics techniques; evaluate the work of others; and communicate audit conclusions for assigned organisational areas.
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Organisation Visit and Fieldwork Assignment

In addition to reading the ACCA Audit and Assurance Study Text, each group will visit an approved organisation to learn how substantive audit procedures are applied in practice.

Before the visit: Obtain permission from the organisation, agree on the audit area to be studied, and ask which form of visit evidence the organisation is willing to provide.

During the visit: Interview relevant staff, observe the process and examine permitted non-confidential documents or records. Interviews provide explanations but do not provide sufficient audit evidence on their own. Where permission is granted, support interview responses

through inspection, observation, recalculation, reperformance, confirmation or analytical procedures. Obtain proof of the visit using an organisation stamp or authorised signature, a visit confirmation letter, an attendance record, or photographs taken with the organisation's permission. Do not photograph people, documents, computer screens, restricted areas or confidential information without explicit consent.

After the visit: Submit a group report describing the organisation and audit area, relevant assertions and risks, interviews conducted, documents and processes reviewed, substantive procedures observed or proposed, findings, limitations, conclusions and recommendations. Attach acceptable proof of the visit, such as an organisation stamp or authorised signature, a visit confirmation letter, an attendance record, or consented photographs. Clearly distinguish information obtained through interviews from evidence independently verified by the group.

Interview Guide by Audit Area

For your assigned audit area, use the following Research-Question (RQ) framework. Record the evidence obtained for each question and obtain permission before viewing records or performing any procedure.

Tangible Assets

1. **RQ1:** What information and documentary evidence are required to audit the acquisition, ownership, recording, depreciation, physical existence, impairment and disposal of tangible assets?
2. **RQ2:** What risks could result in tangible assets being missing, overstated, incorrectly valued, wrongly depreciated, impaired or disposed of without approval?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify the existence, ownership, valuation, depreciation, impairment and disposal of tangible assets?

Intangible Assets

1. **RQ1:** What information and documentary evidence are required to audit the recognition, ownership, useful life, amortisation and impairment of intangible assets?
2. **RQ2:** What risks could lead to incorrect capitalisation, unsupported ownership, inappropriate useful lives, misstated amortisation or unrecognised impairment?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify recognition criteria, additions, ownership, amortisation and impairment?

Inventory

1. **RQ1:** What information and records are required to audit inventory quantities, movements, condition, ownership, costing and period-end cut-off?

2. **RQ2:** What risks could cause inventory to be missing, damaged, obsolete, incorrectly valued, double counted or recorded in the wrong period?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify inventory existence, completeness, condition, valuation and cut-off?

Receivables

1. **RQ1:** What information and records are required to audit customer balances, credit approvals, ageing, receipts and expected credit losses?
2. **RQ2:** What risks could cause receivables to be fictitious, disputed, overdue, incorrectly valued, unrecoverable or recorded in the wrong period?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify the existence, accuracy, recoverability, valuation and cut-off of receivables?

Cash

1. **RQ1:** What information and records are required to audit cash receipts, payments, balances, bank reconciliations and period-end transfers?
2. **RQ2:** What risks could cause cash to be stolen, misstated, unreconciled, restricted, duplicated or transferred to conceal shortages?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify cash existence, ownership, completeness, accuracy and cut-off?

Equity

1. **RQ1:** What information and records are required to audit share capital, reserves, dividends and other movements in equity?
2. **RQ2:** What risks could cause equity transactions to be unauthorised, incomplete, incorrectly classified or inconsistent with legal and board records?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify the occurrence, completeness, accuracy, classification and authorisation of equity movements?

Non-current Liabilities

1. **RQ1:** What information and records are required to audit loan balances, interest, repayments, covenants, security and classification of non-current liabilities?
2. **RQ2:** What risks could cause non-current liabilities to be omitted, wrongly classified, inaccurately valued, in breach of covenant or supported by undisclosed security?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify lender balances, contractual terms, interest, repayments, security, covenants and classification?

Payables and Accruals

1. **RQ1:** What information and records are required to audit supplier balances, purchases, payments, accruals and period-end liabilities?
2. **RQ2:** What risks could cause payables and accruals to be omitted, duplicated, unsupported, incorrectly valued or recorded in the wrong period?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify the completeness, occurrence, accuracy, valuation and cut-off of payables and accruals?

Revenue

1. **RQ1:** What information and records are required to audit revenue recognition, pricing, sales transactions, returns, credit notes and period-end cut-off?
2. **RQ2:** What risks could cause revenue to be fictitious, incomplete, incorrectly priced, recorded too early or late, or reduced by undisclosed returns?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify the occurrence, completeness, accuracy and cut-off of revenue?

Expenses and Payroll

1. **RQ1:** What information and records are required to audit operating expenses, employee records, payroll calculations, deductions and payments?
2. **RQ2:** What risks could cause expenses to be unsupported or misclassified, or payroll to include fictitious employees, unauthorised changes or incorrect deductions?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify the occurrence, accuracy, classification and authorisation of expenses and payroll?

Branch and Centralised Operations

1. **RQ1:** What information and records are required to audit transactions processed by branches and central offices, including inter-branch balances and reconciliations?
2. **RQ2:** What risks could cause branch transactions to be omitted, duplicated, inconsistently processed, unreconciled or improperly overridden?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify branch transactions, inter-branch balances, reconciliations and unusual differences?

ICT and Business Technology

1. **RQ1:** What information and records are required to audit user access, system changes, backups, interfaces, automated processing, incidents and exceptions?
2. **RQ2:** What risks could arise from unauthorised access, unapproved changes, data loss, interface failure, inaccurate automated processing or unresolved incidents?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify access rights, system changes, backups, interfaces, automated calculations and exception handling?

Compliance

1. **RQ1:** What information and records are required to audit compliance with applicable laws, regulations, licences and internal policies?
2. **RQ2:** What risks could cause obligations to be missed, breached, reported late, poorly monitored or left without corrective action?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify compliance, reporting deadlines, breach management and completion of corrective actions?

Risk Management

1. **RQ1:** What information and records are required to audit risk identification, assessment, ownership, response, monitoring and reporting?
2. **RQ2:** What risks could be omitted, poorly assessed, assigned to no owner, unsupported by effective responses or not updated when conditions change?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify the completeness of the risk register, the quality of assessments, ownership and implementation of risk responses?

Human Resources

1. **RQ1:** What information and records are required to audit recruitment, qualifications, contracts, attendance, leave, performance, discipline, termination and payroll changes?
2. **RQ2:** What risks could cause unauthorised recruitment, incomplete records, invalid qualifications, inaccurate leave, delayed terminations or exposure of personal data?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify personnel records, approvals, qualifications, staff changes, leave balances and access controls?

Internal Audit Quality Assessment

1. **RQ1:** What information and records are required to evaluate the planning, performance, supervision, review and documentation of internal audit engagements?
2. **RQ2:** What risks could cause engagements to lack planning, evidence, supervision, independence, conformance with standards or follow-up of quality findings?
3. **RQ3:** Which audit tests or substantive procedures can be used to assess conformance with the Global Internal Audit Standards and completion of quality-improvement actions?

Credit

1. **RQ1:** What information and records are required to audit credit applications, appraisals, approvals, limits, collateral, arrears, restructures and impairment?
2. **RQ2:** What risks could cause credit facilities to be unauthorised, poorly assessed, inadequately secured, overdue, improperly restructured or incorrectly impaired?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify approvals, collateral, interest, repayments, arrears, restructures, impairment and exceptions?

Treasury

1. **RQ1:** What information and records are required to audit investments, borrowings, foreign-exchange transactions, liquidity, counterparties, valuations and reconciliations?
2. **RQ2:** What risks could cause treasury transactions to exceed limits, lack authority, be incorrectly valued, create liquidity or counterparty exposure, or remain unreconciled?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify balances, approvals, interest, valuations, exchange rates, limit compliance and reconciliations?

Legal and Company Secretariat

1. **RQ1:** What information and records are required to audit contracts, litigation, statutory filings, board minutes, registers, legal obligations, commitments and contingencies?
2. **RQ2:** What risks could cause legal obligations, claims, commitments, filings, conflicts or contingencies to be omitted, outdated or inaccurately reported?
3. **RQ3:** Which audit tests or substantive procedures can be used to verify contracts, legal matters, statutory filings, registers, provisions and disclosures?

Organisational Strategy

1. **RQ1:** What information and records are required to audit the organisation's strategic planning process, strategic objectives, performance indicators, resource allocation, implementation plans, monitoring reports and strategy reviews?
2. **RQ2:** What risks could cause the organisation's strategy to be unclear, poorly aligned with its mandate, unsupported by resources, inadequately communicated, weakly monitored or not updated when circumstances change?
3. **RQ3:** Which audit tests or substantive procedures can be used to assess approval of the strategy, alignment of objectives and budgets, reliability of performance information, implementation of strategic initiatives, monitoring of results and follow-up of corrective actions?

Governance

1. **RQ1:** What information and records are required to evaluate board and committee oversight of strategy, risk, ethics, internal control and internal audit?
2. **RQ2:** What risks could arise from weak oversight, undeclared conflicts, undocumented decisions, unclear responsibilities or unresolved actions?
3. **RQ3:** Which audit tests or substantive procedures can be used to assess governance structures, declarations, decisions, reporting and follow-up of agreed actions?

Cross-cutting research questions: What records support the responses obtained? Which high-risk items should be selected for testing? Which approved procedures can be performed through inspection, observation, recalculation, reperformance or confirmation? What limitations affect the reliability or completeness of the evidence?

Please follow the presentation and report submission instructions below.

Submission Instructions for Students

- **Deadline:** Submit your report on **8 October 2026**.
- **Presentation schedule:** In-class presentations will begin on **29 September 2026**.
- **Format:** Submit one well-formatted, bound hard-copy report for your group.
- **Group details:** Include the course name and code, assigned audit area, organisation visited, group number, and each member's name and student number on the cover page.
- **Report content:** Arrange the report using the products listed in the next section and use clear headings, page numbers and consistent formatting.
- **Appendices:** Include all appendices specified under Required Products in the Fieldwork Report.
- **Final check:** Before binding the report, confirm that all required sections and appendices are included, readable and in the correct order.

Required Products in the Fieldwork Report

Each group must submit one integrated fieldwork report containing the following products:

- **Executive summary:** A brief overview of the assignment, work completed and key findings.
- **Organisation and audit-area profile:** A concise description of the organisation and the area examined.
- **Process description:** A narrative or step-by-step explanation of how the selected process operates.
- **Information and records list:** A list of the documents, records, reports and other information obtained.
- **Risk-and-control matrix:** A table linking key risks, controls and relevant audit assertions.
- **Interview summary:** The roles of respondents, questions asked and key responses, without disclosing confidential personal details.
- **Audit procedures:** Describe the audit procedures performed or proposed for the selected audit area.
- **Findings matrix:** For each finding, state the condition identified, agreed criteria, cause, effect or risk, supporting evidence and recommendation.
- **Conclusion:** An overall conclusion on the selected audit area.
- **Action plan:** Recommended action, responsible officer and proposed completion date, where the organisation permits this information to be included.
- **Proof of the organisation visit:** An authorised stamp or signature, confirmation letter, attendance record, or consented photographs.

- **Appendices:** Include approved supporting evidence, interview notes, calculations, photographs and presentation materials. Add a response appendix containing verbatim sample quotations for each audit question. Label every quotation with the relevant question number and the respondent's role or an anonymous code, but do not include the respondent's name. Obtain consent to record and quote responses, and remove personal, confidential or commercially sensitive information.

The report must clearly distinguish information provided by respondents, evidence independently verified by the group, procedures that were only proposed, and limitations that prevented testing.

How You Will Learn and Be Assessed

1. **Demonstrate your starting knowledge.** You will begin with a short task requiring you to identify assertions, risks and suitable audit procedures for a familiar business process.
2. **Complete applied group work.** Within your group, you will rotate through the roles of team leader, risk analyst, evidence specialist, procedure designer and presenter so that every member demonstrates more than one competence. Your group will analyse a realistic case, prepare a risk-and-control matrix, design appropriate substantive procedures, identify the evidence required, and explain how your conclusions comply with the Global Internal Audit Standards.
3. **Use formative feedback to improve your work.** At scheduled checkpoints, your group will present its progress and explain the reasoning behind its proposed procedures. The Facilitator will question your approach, correct misconceptions and guide improvement without completing the task for your group.
4. **Demonstrate the required competences.** Your work will be assessed using a shared rubric covering application of standards, identification of risks and assertions, appropriateness of audit procedures, quality of evidence, professional judgement, teamwork and communication.

How you will be assessed: Your work will be rated as Beginning, Developing, Competent or Proficient.

Submit these five items:

- Risk-and-control matrix
- Audit procedures and evidence plan
- Presentation materials
- Peer feedback and individual reflection
- Proof of the organisation visit: an authorised stamp or signature, confirmation letter, attendance record, or consented photographs

5. Demonstrate individual transfer of learning. After the group presentation, you will provide peer feedback, complete an individual reflection and undertake a short independent task. These activities will confirm that you can apply the required competence without relying solely on your group.