



SUBJECT (MODULE) DESCRIPTION

Name of the academic subject (module)	Code
Financial statement audit	12-02-2025

Staff	Department
Coordinator: J. assist. Daiva Raziūnienė Other: -	Faculty of Economics and Business Administration, Department of Accounting and Auditing

Cycle of studies	Type of the subject (module):
First	Compulsory

Form of implementation	Period	Language of instruction
Face-to-face	Spring semester (6)	English, Lithuanian

Requirements for students	
Prerequisites: Financial accounting, Performance audit	Additional requirements (if any): -

Volume of the subject (module) in credits	Total student workload	Contact hours	Independent work hours
5	130	48	82

Aims of the subject (module): competences to be built by the study programme
<p>General competences:</p> <p>1.1. Will be able to communicate effectively in writing and oral form, and to convey accounting and financial knowledge to professionals and non-professionals, in line with professional ethics and citizenship.</p> <p>2.1. Will be able to study independently and take responsibility for continuous learning and professional development in their professional field.</p> <p>2.2. Will demonstrate creative thinking skills, ability to make innovative decisions.</p> <p>Course unit competences:</p> <p>3.2. Will know the principles and phases of organization of audit, forms and methods of providing information to external and internal users.</p> <p>4.2. Will be able to analyze and evaluate various economic and social processes, organizational behaviour and environment, interpret legislation and apply it to compiling of various reports, solution of organizational management and professional problems.</p> <p>5.2. Will be able to apply audit process actions and tools, define limits of financial reporting and auditing, evaluate accounting, audit and financial management decisions ethically, socially, legally and economically.</p>

Study objectives of the study program	Intended outcomes of the subject (module)	Study methods	Assessment methods
1.1.	Will be able to communicate effectively, both orally and in writing, conveying knowledge of accounting and finance to specialists and non-	Lectures (problem-based teaching) Discussions Literature analysis	Project presentation

	specialists, guided by professional ethics and citizenship.	Individually prepared presentations Group workshops	
2.1	Will be developed the ability to independently learn, analyze and apply the principles and methods of financial auditing, as well as take responsibility for continuous learning and professional development.	Seminars and discussions Literature and legislative analysis Individually prepared presentations Case study methods Group workshops	Midterm test Open ended questionnaire Project presentation
2.2.	Will demonstrate creative thinking and be able to make innovative decisions in the field of financial auditing, analyzing complex situations and applying appropriate problem-solving methods.	Discussions Case study methods Group workshops	Project presentation Bonus activities
3.2.	Will know the principles and stages of audit organization, be able to plan and perform financial audit procedures, and will also understand how to present audit conclusions and recommendations to different external and internal users, choosing appropriate reporting forms and methods of information presentation, taking into account regulatory requirements and the auditor's professional ethics.	Lectures (problem-based teaching) Literature analysis Case study methods	Midterm test Open ended questionnaire Multiple choice questionnaire Exam
4.2.	Will be able to analyze and evaluate financial audit processes, in addition to conducting research on legal acts, standards and regulations, and applying their norms to solve problems in financial audit activities, will be a key skill.	Literature analysis Individually prepared presentations Case study methods Group workshops	Midterm test Project presentation Exam
5.2.	Will be able to select performance audit procedures, comprehend the findings of performance audit reports, and evaluate the quality of performance audit performance will be essential.	Individually prepared presentations Case study methods Group workshops	Multiple choice questionnaire Project presentation Exam

Themes	Contact hours							Independent work assignments	
	Lectures	Consultations	Seminars	Practical classes	Lab works	Practice	Total contact hours	Independent work	Assignments
Introduction: subject presentation, content and topics of the subject, requirements for assessment, distribution of independent work topics	1						1		
Chapter 1. Framework of the Financial statement auditing. Participants and regulations. The structure of international standards and national regulation. Auditors' functions, professional requirements, cooperation and relationships with auditees. Assumptions for audit quality assurance.	4						6	10	Search for information on public media about current events in the financial market, preparation for discussion.
Chapter 2. Professional ethics and the norms of the professional code of ethics for accountants, application of the approach of	4			2			6	8	Reading of the literature and preparation for

professional skepticism. Basic ethical principles, ensuring independence and objectivity, integrity and responsibility to society.									multiple-choice questions
Chapter 3. Basic audit concepts: financial audit risk, materiality, evidence. Audit risk assessment models. Materiality determination methods and allocation. Structure and purpose of international auditing standards.	4		2			6	10		Problem solving analysis of situations and cases, preparation for the exam questions
Midterm test			2				8		
Chapter 4. Auditor's opinion and auditor report. Types of opinion, format, structure of the report, requirements for presenting, requirements for modification.	6		4			10	10		Case study analysis
Chapter 5. Financial audit strategies: planning and program development. Audit objects and procedures. Characteristics of audit evidence, the stages of collection, and the relationship to materiality and risk assessment.	5		2			7	8		Analysis of standards Preparation for group workshop
Chapter 6. Audit sampling methods and stages. Concept of audit sampling risk. Sampling and selection methods. Evaluation of sampling results.	2		2			4	8		Analysis of practical examples on sampling tasks
Chapter 7. Audit working papers, types, reliability and relevance. Working papers, programs, analysis and evaluation documents, contracts and agreements.	2		2			4	10		Creating working documents, examining examples of documentation
Chapter 8. Financial audit completion procedures. Audit conclusion and report submission. Assessment of the audited entity and the audit team. Challenges of the modern auditing: new technologies, changes of the regulatory requirements and quality assurance.	2					2			Reading of public media sources for analysis of current issues
Lecture by International accounting and auditing services company (BIG 4) "SDG and sustainability reporting audit"	2					2			
Preparation for exam							10		
Total	32		16			48	82		

Assessment strategy	Weight	Time of assessment	Criteria of assessment
Midterm test	30 %	During the semester	Open-ended questions based on reporting topics. The assessment uses a 10-point system, established in the VU Study Results Assessment Procedure and established in the assessment scale.
Project presentation	40%	During the semester	There are 4 project activities according to the chapter topics. Each activity is assessed as credited or not. The evaluation of credited activity is 2,5 points (2.5 out of 10). Project activities related to case analysis, discussions, analysis of legal acts, and performance of tasks.
Exam	30%	During session	Multiple choice test consists of 30 questions. The percentage of correct answers is calculated. Excellent: 95-100% correct answers

			Very good: 85-94% correctly answered questions Good: 75-84% correctly answered questions Average: 65-74% correctly answered questions Satisfactory: 55-64% correctly answered questions Weak: 45-54% correctly answered questions Unsatisfactory: Answered by less than 45% questions
Bonus activities	Max 1		Activity during lectures and seminars, formulation of questions and discussions with guest lecturers are assessed: the appropriateness of the question, participation in discussions and argumentation, response to questions, presentation of the point of view, etc.
Final assessment			The final grade is the sum of the exam, midterm and project work grades, plus an additional score. Final grade = MT*0.3+PR*0.40+EXA*0.3+(max 1)
Assessment of external examination	100		The exam consists of closed and open-ended tests of varying difficulty, both theoretical and practical. The exam aims to test students' mastery of all topics. Excellent: 95-100% correct questions Very good: 85-94% correctly answered questions Good: 75-84% correctly answered questions Average: 65-74% correctly answered questions Satisfactory: 55-64% correctly answered questions Weak: 45-54% correctly answered questions Unsatisfactory: Answered by less than 45% questions

Author	Year	Title	Volume of the periodical or publication	Place of publishing, publishing house, or Internet reference
Compulsory literature				
Arens A.A., Elder R.J., Beasley M.S., Hogan Ch.E.	2016	Auditing and Assurance Services	17 e.	Pearson Education
Gray I., Manson S., Crawford L.	2015	<i>The Audit Process: Principles, Practice and Cases</i>	Sixth Edition	CENGAGE Learning
Supplementary literature				
Gray, Manson and Crawford	2015	The Audit Process: Principles, Practice and Cases		Cengage Learning EMEA, UK
L. F. Konrath	2007	<i>Auditing Concepts and Applications: A Risk – Analysis Approach</i>	4 ed	West Publishing Company
Poter B., Simon j. Hartley D.	2014	Principles of External Auditing	4 ed.	John Wiley& sons. Ltd
IFAC (IAASB)		International Standards on Auditing		www.lar.lt