

DESCRIPTION OF THE SUBJECT OF DOCTORAL STUDIES

The title of the subject	Field of science (branch) code	Faculty	Department
Audit Concepts and Procedures	Management S 003	Faculty of Economics and Business Administration	Department of Accounting and Audit
Form of implementation	Volume of the subject in credits	Form of implementation	Volume of the subject in credits
lectures		consultations	1
individual	6	seminars	

Annotation of the subject

The purpose of the subject is to evaluate the fundamental problems and peculiarities related to audit, to examine the latest theories of audit.

Special attention is paid to auditors' competences, independence, professional ethics, responsibilities, auditor-auditee relations, audit procedures (substantive audit procedures, as well as test of controls), audit sampling, auditor's communication with management and those charged with governance, gathering and evaluation of audit evidence, summarization of audit results, preparation of auditor's report and other audit reports, as well as management of audit quality.

The acquired knowledge will help to better understand advanced auditing methods, audit risk assessment, audit sampling techniques, use of information technology in auditing, the reasons and conditions under which fraud may be committed or how other type of material misstatements may occur in the financial statements, selection of proper audit procedures, evaluation of the collected audit evidence and formulation of auditor's report.

The content (topics):

1. **State and development problems of modern audit.** Overview of state of audit. Audit limitations and possible solutions. Audit clients expectations and opportunities to meet them.
2. **Audit system.** Elements of the audit system. Classification of audit by function. Similarities and differences of external and internal audit. Audit of financial statements. Peculiarities of performance audit. Peculiarities of other types of audit (information systems' audit, audit of sustainability information, audits conducted by the supreme audit institution, etc.)
3. **Audit planning and internal control assessment.** Audit strategy and audit plan. Importance of internal control assessment for audit quality. Control function in management. Approaching internal control from different perspectives. Development of interpretations of the company's internal control. Internal control models. Conditions for performing internal control. Assessment of accounting policies. Internal control risk factors. Limitations of internal control. Assessment of internal control.
4. **Relationships and cooperation between auditors and auditees.** Determinants of the relationship between auditors and auditees. The relationship of the auditors with the management, those charged with governance and employees of the audited entity. Cooperation between external and internal auditors. Collaboration with auditees and engagement team members. Use of an auditor's expert.
5. **Auditor's professional ethics.** Principles of professional ethics. Independence. Threats to auditor independence. Measures to control threats to independence.
6. **Audit in the information environment.** Opportunities and methods of auditing in the information environment. Risks of using information technology. Assessment of internal control of information systems and impact on inherent and control risk.
7. **Auditor's responsibility for the fraud on financial audit.** Interpretations of errors and frauds. Classification of errors and fraud. Circumstances that may affect the reliability of financial statements. Management's responsibility for errors and frauds. The auditor's responsibility for

identification of frauds in financial audit. Assessment process of management's fraud risk and its understanding. Auditor's responses to fraud risk. Communication and information to stakeholders when actual fraud is detected or suspected.

8. **Methods of gathering audit evidence.** Hierarchy of audit evidence. The concept of a true and fair view. Initial audit engagement and opening balances. Risk assessment procedures. Internal control tests. Basic audit procedures. Analytical audit procedures for planning and audit completion. Audit of individual items of financial statements.
9. **Summary and evaluation of audit results.** Summary and evaluation of audit evidence obtained. Evaluation of uncorrected misstatements. Going Concern. Audit procedures for subsequent events. Disagreements with the company's management and ways to resolve them. The structure of the auditor's report and its main paragraphs. Formulation of the auditor's opinion. Different types of auditor's report. Information of those charged with governance and company's management about the results and process of the audit. Evolution of audit quality assurance tools. The audit quality control system in the company. Documentation of audit quality control. Public oversight of audit quality.

Assessment

Exam (70%) and project (30%) based on the topics of audit concepts and procedures relying on the latest scientific publications.

It is recommended to use at least 20 scientific publications. The paper presents the doctoral student's generalizations and insights on the analyzed topic. Paper volume: 20-25 pages with references.

Literature

1. Mackevičius, J., Subačienė, R. Lietuvos finansinio audito sistema: praeitis, dabartis, perspektyvos. (The Lithuanian Financial Auditing System: Past, Present, Prospects) monograph. 2018. Vilnius: Vilnius University Press. 409 p.
2. Lakis, V. Audito teorija ir praktika. Vilnius: Vilniaus universiteto leidykla, 2017.
3. 2023-2024 Handbook of International Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements. <https://www.iaasb.org/publications/2023-2024-handbook-international-quality-management-auditing-review-other-assurance-and-related>
4. Handbook of the International Code of Ethics for Professional Accountants 2023. <https://www.ethicsboard.org/publications/2023-handbook-international-code-ethics-professional-accountants>
5. Tarptautinio apskaitos profesionalų etikos kodekso vadovas. 2022. <https://lar.lt/www/new/page.php?733>
6. Tarptautiniai audito standartai (International standards). <https://lar.lt/www/new/page.php?724>
7. Arens, A., Randal, J., E., Beasley, M.S., Hogan, Ch., E. 2020. Auditing and Assurance Services, 17th ed. Pearson.
8. Kegerreis, M., Schiller, M., Davis, Ch. 2019. IT auditing using controls to protect information assets: McGraw-Hill.
9. Weirich, Thomas R. (2020) Accounting & Auditing research: tools & strategies / Thomas R. Weirich, Thomas C. Pearson, Natalie T. Churyk. 7th ed. John Wiley & Sons, Inc. 221p.
10. Grey L., Manson S., Crawford L. The audit process. Cengage Learning, 2015.
11. Lessambo, Felix I.: The international corporate governance system: audit roles and board oversight / by Felix I. Lessambo. Houndmills : Palgrave Macmillan, 2014.
12. Principles of external auditing / Brenda Porter, Jon Simon, David Hatherly.. Hoboken [N.J.] : Wiley, 2014.
13. Thibodeau, Jay C.: Auditing and accounting cases: investigating issues of fraud and professional ethics / Jay C. Thibodeau, Deborah Freier. New York [N.Y.] : McGraw-Hill Irwin, 2014.
14. Moeller R. Executive's Guide to COSO Internal Controls: Understanding and Implementing the New Framework. Wiley, 2013.
15. Biegelman M. T., Bartow J. T. 2012. Executive Roadmap to Fraud Prevention and Internal Control: Creating a Culture of Compliance. Wiley.
16. Auditing and accounting cases : investigating issues of fraud and professional ethics 2014. Edited by Jay C. Thibodeau, Deborah Freier. McGraw-Hill.

Name, surname of the consulting lecturers	Scientific degree	The publications in the field of science (branch) published in the last 5 years
Vaclovas Lakis	Emeritus, prof. habil. dr.	<ol style="list-style-type: none"> 1. Masiulevičius, Audrius; Lakis, Vaclovas. Application of qualitative characteristics to evaluate misstatements in financial statements: evidence from factual audit data // <i>Ekonomika</i>. Vilnius : Vilniaus universiteto leidykla. ISSN 1392-1258. eISSN 2424-6166. 2022, t. 101, Nr. 2, p. 6-21. DOI: 10.15388/Ekon.2022.101.2.1. 2. Lakis, V. ir kiti. 2018. Облік, аналіз, аудит, звітність та оподаткування в умовах глобалізації економіки : Монографія. Ужгород: Видавництво УЖНУ "Говерла", 2018, 300 с. 3. Lakis, V. ir kiti. 2018. Емерджентні методи для емерджентної економіки : монографія. Черкаси: Видавець Вовчок О. Ю., 2017, 324с. 4. Lakis, V., Masiulevičius, A. 2018. Differentiation of performance materiality in audit based on business needs // <i>Entrepreneurship and sustainability issues: Entrepreneurship and Sustainability Center</i>. 2018, vol. 6, no 1, p. 115-124. <http://jssidoi.org/jesi/uploads/articles/21/Masiulevičius_Differentiation_of_performance_materiality_in_audit_based_on_business_needs.pdf>. 5. Lakis, V., Masiulevičius, A. 2018. Rachunkowość kreatywna: strategie pozytywne i negatywne // <i>Przedsiębiorstwo & finanse</i>. Białystok: Wyższa Szkoła Finansów i Zarządzania w Białymstoku.. 2018, No 2, p. 39-54. 6. Lakis, V. 2018. Организация материальной ответственности на предприятии // Устойчивое развитие экономики: международные и национальные аспекты : электронный сборник статей II международной научно-практической конференции, посвященной 50-летию Полоцкого государственного университета, Новополоцк, 7–8 июня 2018 г. / Полоцкий государственный университет. – 1 электрон. опт. диск (CD-ROM). Новополоцк : Полоцкий государственный университет, 2018, p. 515-520.
Rasa Subačienė	Prof. dr.	<ol style="list-style-type: none"> 1. Pileckaitė, Odeta; Subačienė, Rasa. 2024. Integrating sustainability into corporate financial management // <i>Theoretical economics letters</i>. Glendale : Scientific Research Publishing Inc. ISSN 2162-2078. eISSN 2162-2086. 2024, vol. 14, no. 3, p. 915-950. DOI: 10.4236/tel.2024.143048. 2. Subačienė, Rasa; Budrionytė, Ramunė; Žemguliėnė, Jolanta; Faituša, Ivita; Rudžionienė, Kristina. 2024. Economic shocks and perceptions of efficiency changes: the cases of Lithuania and Latvia // <i>Economies</i>. Basel : MDPI. eISSN 2227-7099. 2024, vol. 12, iss. 1, art. no. 14, p. [1-24]. DOI: 10.3390/economies12010014. 3. Subačienė, Rasa; Tamulevičienė, Daiva; Christauskas, Česlovas. 2022. Covid-19 pandemic impact on business: Case of Lithuania. Accounting and business in a sustainable post-Covid world: New perspectives and challenges. Wrocław : Publishing House of Wrocław University of Economics and Business, 2022. p. 26-44. ISBN 9788376959962. eISBN 9788376959979. DOI: 10.15611/2022.997.9.02. 4. Subačienė, Rasa; Budrionytė, Ramunė; Žemguliėnė, Jolanta; Faituša, Ivita. 2022. Modern accounting specialist in new economic reality: cases of Lithuania and Latvia // <i>Administrative sciences</i>. Basel : MDPI. eISSN 2076-3387. 2022, vol. 12, no. 4, art. no. 124, p. [1-18]. DOI: 10.3390/admsci12040124. 5. Faituša, I., Subačienė, R., Mačerinskienė, A. 2020. Challenges of Outsourcing Accounting in Latvia and Lithuania, <i>Entrepreneurship and Sustainability Issues</i> 7(4): 2883-2896. https://doi.org/10.9770/jesi.2020.7.4(20) 6. Mackevičius, J., Subačienė, R. 2018. Lietuvos finansinio audito sistema: praeitis, dabartis, perspektyvos. (The Lithuanian Financial Auditing System: Past, Present, Prospects) monograph. Vilnius: Vilnius University Press. 409 p. 7. Mackevičius, J., Subačienė, R., Tamulevičienė, D. 2017. Audito raida Lietuvoje: etapai, svarbiausi įvykiai ir datos = Development of the audit in Lithuania: stages, most important events and dates // <i>Viešasis administravimas = Public administration</i>. Vilnius : Lietuvos viešojo administravimo lavinimo institutų asociacija. 2017, Nr. 1-2, p. 82-95.

Name, surname of the consulting lecturers	Scientific degree	The publications in the field of science (branch) published in the last 5 years
Darius Vaicekaskas	Asist.dr.	<ol style="list-style-type: none"> 1. Vaicekaskas, Darius. 2023. Veiksniai, lemiantys auditorių apsisprendimą keisti profesiją = Factors affecting auditors' decisions to change profession // Buhalterinės apskaitos teorija ir praktika. Vilnius : Vilniaus universiteto leidykla. ISSN 1822-8682. eISSN 2538-8762. 2023, Nr. 28, p. [1-7]. DOI: 10.15388/batp.2023.57. 2. Vaicekaskas, D. 2020. 15-ojo tarptautinio finansinės atskaitomybės standarto „Pajamos pagal sutartis su klientais“ taikymas pirmąjį kartą: Lietuvos listinguojamų įmonių tyrimas = First time adoption of IFRS 15 “Revenue from contracts with customers“: the case of Lithuanian listed companies // Buhalterinės apskaitos teorija ir praktika. Vilnius : Vilniaus universiteto leidykla. ISSN 1822-8682. 2020, Nr. 21, 1 html. DOI: 10.15388/batp.2020.17. 3. Vaicekaskas, D. 2019. Atsakingojo audito partnerio įsitraukimas į auditą, kaip audito kokybės indikatorius = Audit partner's involvement in audit process, as an indicator of audit quality // Buhalterinės apskaitos teorija ir praktika. Vilnius : Vilniaus universiteto leidykla. ISSN 2538- 8762. 2019, Nr. 20, [p. 1-16]. DOI: 10.15388/batp.2019.12. 4. Vaicekaskas, D. 2018. Pagrindinių audito dalykų pateikimas auditoriaus išvadoje: Lietuvos emitentų auditoriaus išvadų tyrimas = Key audit matters: research on auditor's reports of Lithuanian listed companies // Buhalterinės apskaitos teorija ir praktika. Vilnius : Vilniaus universiteto leidykla. ISSN 2538-8762. 2018, Nr. 17-18, p. 168-179. DOI: 10.15388/batp.v0i1.11960.
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