

MINISTRY OF FINANCE

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

No. 67/2015/TT-BTC

Hanoi, May 8, 2015

CIRCULAR

**ISSUING VIETNAMESE STANDARD ON AUDITING IN AUDITS OF FINAL ACCOUNTS
OF COMPLETED PROJECTS**

Pursuant to the Law on Independent Audit No. 67/2011/QH12 dated March 29, 2011;

Pursuant to the Government's Decree No. 17/2013/ND-CP dated March 13, 2012 elaborating and providing guidance on implementation of certain articles of the Law on Independent Audit;

Pursuant to the Government's Decree No. 215/2013/ND-CP dated December 23, 2013 defining the functions, tasks, powers and organizational structure of the Ministry of Finance;

Upon the request of the President of the Vietnam Association of Certified Public Accountants and the Director of the Department of Auditing and Accounting Regimes,

The Minister of Finance issuing Vietnamese standard on auditing in the audits of final accounts of completed projects

Article 1. Vietnamese Standard on Auditing No. 1000 - Audit of final accounts of completed projects is attached hereto.

Article 2. This Circular shall apply to auditing enterprises, foreign auditing enterprises' branches in Vietnam, certified auditors and other entities or persons involved in providing audits of final accounts of completed projects as per Article 1 herein.

Article 3. This Circular shall enter into force on July 1, 2015.

As for contracts for audits of final accounts of completed projects which are in effect before July 1, 2015, if audit reports are issued from July 1, 2015 onwards, the Vietnamese Standard on Auditing attached hereto shall be applied to the audits of final accounts of completed projects.

The Vietnamese Standard on Auditing No. 1000 "*Audit of reports on settlement of investments in completed projects*" issued under the Decision No. 03/2005/QD-BTC dated January 18, 2005 of the Minister of Finance shall be repealed from July 1, 2015.

Article 4. Director of the Department of Auditing and Accounting Regimes, auditing enterprises, foreign auditing enterprises' branches in Vietnam, certified auditors and other entities or persons involved shall be responsible for implementing this Circular./.

**PP. MINISTER
DEPUTY MINISTER**

Tran Xuan Ha

VIETNAMESE AUDITING STANDARD SYSTEM

VIETNAMESE STANDARD ON AUDITING NO. 1000 (VSA 1000) IN AUDITS OF FINAL ACCOUNTS OF COMPLETED PROJECTS

(Annexed to the Circular No. 67/2015/TT-BTC dated May 8, 2015 of the Minister of Finance)

I/ GENERAL PROVISIONS

Scope

01. This Standard provides regulations and instructions on responsibilities of *auditors and auditing enterprises (hereinafter referred to as auditor)* for audits of final accounts of completed projects financed by the State capital. Audits of final accounts of completed projects financed by other capital may be conducted provided that they are conformable to regulations and instructions herein.

This Standard shall apply to audits of final accounts of completed projects, including construction projects, construction project items, planning projects and other investment projects (see instructions given in the paragraph A1 herein).

Purposes of audits of final accounts of completed projects

02. Auditing of final accounts of completed projects is aimed at increasing the user's trust in final accounts of completed project, providing the person competent to grant approval with a basis to consider approving final accounts of completed projects and, through opinions given by auditors and auditing enterprises and in material aspects, determining whether the process of implementation of projects conforms to regulations on management of investment and final accounts of completed projects give fair and true views of finalization of projects at the reporting time, conform to accounting standards, regimes and legislative regulations related to the preparation and representation of final accounts of completed projects.

Overall objectives of auditors and auditing enterprises

03. Upon implementation of an audit of the final account of a completed project, overall objectives of an auditor and auditing enterprise shall comprise the followings:

(a) Obtaining the reasonable assurance of whether the project execution process conforms to regulations on investment management and final accounts of completed projects, in general, are free from material misstatements or errors arising due to fraud or error. This enables an auditor to express their opinions as to whether the project execution process conforms to regulations on investment management and the final account of a completed project is prepared in conformance to accounting standards and regimes and other legislative regulations related to the preparation and representation of final accounts of completed projects in all material aspects;

(b) Preparing audit reports on final accounts of completed projects and exchanging information according to regulations set out herein and other relevant Vietnamese Standards on Auditing, and auditor's findings.

In case where it is unlikely to obtain reasonable assurance and a qualified opinion is not enough to provide information for users of final accounts of proposed completed projects, auditors must refuse to give their opinions or withdraw from audits under laws and other relevant regulations.

04. Auditors, members participating in audits and auditing enterprises must comply with regulations and instructions in this Standard and other relevant Vietnamese Standards on Auditing as well as legislative regulations on investment and construction during the period of auditing of final accounts of completed projects.

Audited entities (i.e. investors or representatives of investors) and parties using audit results must obtain necessary knowledge of regulations and instructions in this Standard and other relevant Vietnamese Standards on Auditing in order to carry out their responsibilities and collaborate in performing duties with auditing enterprises and auditors, as well as handle relationships regarding audited information

Definitions

05. For the purposes of this Standard, terms used herein shall be construed as follows:

(a) Final account of completed project refers to a report that is prepared by an investor or an investor's representative under laws on finalization of completed projects, reflects economic, financial and other significant information acquired during the investment and project execution period;

(b) Investor refers to an entity, organization or individual that owns capital, lend funds or is authorized to directly manage and use capital in investments;

(c) Person competent to approve final accounts refers to the legal representative of a state management entity, agency or enterprises authorized to approve final accounts of completed projects under the State's regulations at the time of grant of approval of final accounts. The person competent to approve final accounts of completed projects may be an individual if the completed project is owned by that individual;

(d) Documentation on finalization of completed project refers to all documents, papers and materials related to investment and project finalization, including final accounts of completed projects that audited entities must prepare to serve the purposes of discharge of financial obligations arising from projects upon completion in accordance with laws on finalization of completed projects;

(e) *Auditor* refers to a person engaged in an audit. That person may be a member of the Board of Directors who takes overall control of audit engagements, a certified auditor, a technician and other member of an auditing group. In this Standard, in most cases the term "auditor" encompasses the term "technician" and "auditing enterprise". Whenever needing to emphasize responsibilities, "auditor", "technician" or "auditing enterprise" may be used individually;

(f) *Technician* refers to an individual that works for an auditing enterprise, possesses professional skills, experiences and knowledge in the economic and construction engineering sector, etc. that may support auditors in auditing final accounts of completed projects;

(g) *Audit documentation* refers to a collection of audit materials prepared, collected, sorted, used and stored by an auditor in certain order according to instructions given in this Standard as evidence for a particular audit engagement. Materials and documents included in audit documentation may exist in a form of paper, video recording, computing device or any other storage means according to applicable laws;

(h) *Audit plan* refers to a document defining information about customers, audit scope, workloads, duration and approaches aimed at achieving audit objectives;

(i) *Audit program* refers to a detailed document about objectives and necessary procedures for specific audit cycles which are set and established by an auditor;

(j) *Audit evidence* refers to all of documents and information about an audit engagement that are collected by an auditor, and based on which an auditor can draw conclusions and form audit opinions.

II/ CONTENTS OF THIS STANDARD

Requirements

06. Requirements applied to an audit of the final account of completed project shall include the followings:

(a) Auditor must observe laws;

(b) Auditor must comply with standards and regulations regarding professional ethics, including independence, related to the audit of final account of completed project (see instructions given in paragraph A2-A3 herein);

(c) Auditor must prepare a plan and carry out an audit by applying professional skepticism in order to realize cases in which implementation of regulations regarding management of investment during the project execution period and the final account of completed project contain material errors;

(d) Auditor must make professional judgements during the process of formulating the audit plan and carrying out the audit of final account of completed project;

(e) In order to obtain reasonable assurance, auditors must collect sufficient appropriate audit evidence to reduce audit risks to the acceptable level to the extent that such auditors can draw appropriate conclusions as a basis to form audit opinions;

(f) Auditor must comply with this Standard and other Vietnamese Standards on Auditing related to an audit of the final account of completed project. An audit standard is deemed to be associated with an audit engagement once that standard is valid and such audit is carried out in the contexts prescribed in regulations and instructions in this Standard.

07. Auditors and auditing enterprises must duly apply regulations and instructions laid down in paragraphs 14-18 of the Vietnamese Standard on Auditing No. 200 – General objectives of carrying out audits by auditors and auditing enterprises according to Vietnamese Standards on Auditing to implementation of requirements for an audit of final account of completed project.

Responsibilities for final accounts of completed projects and documentation on finalization of completed projects

08. The Board of Directors of an audited entity shall be held responsible for:

(a) Compliance with investment management regulations during the process of execution of a project;

(b) Preparation and representation of the final account of a completed project that gives a fair, true and reasonable view, conforms to auditing standards, regimes and legislative regulations related to the preparation and representation of final accounts of completed projects;

(c) Internal audits that the Board of Directors deems necessary to ensure that final accounts of completed projects are prepared and represented without material misstatements, whether due to fraud or error;

(d) Providing auditors with the followings:

(i) Access to all materials and information that the Board of Directors is aware that they are relevant to the preparation and presentation of the final account of a completed project, such as documents on finalization of completed projects, accounting documents, books and other materials;

(ii) Additional documents and information that auditors may request the Board of Directors to provide or clarify to serve the purposes of an audit, even including state examination, inspection and audit reports (if any). The Board of Directors shall be legally liable for legitimacy, authenticity, accuracy and timeliness of provided documents and materials;

(iii) Unlimited access to personnel of an audited entity that auditor deems that they are necessary for collection of audit evidence.

09. Auditors and auditing enterprises must check the final account of a completed project based on documentation on finalization of the completed project provided by the audited entity and must give opinions on compliance with investment management regulations during the project execution period, and on truthfulness and rationality of the final account of a completed project based on audit results.

10. Auditing final accounts of completed projects cannot relieve liabilities of the Board of Directors of the audited entity for the final accounts of completed projects.

Audit contracts

11. Auditors and auditing enterprises must duly apply laws on contracts, regulations and instructions set in Vietnamese Standard on Auditing No. 210 - Audit contracts for arrangements, and must carry out contracts for audit of final accounts of completed projects. Below are certain major contents (see instructions given in paragraphs A4-A5 in this Standard).

(a) The contract for audit of the final account of completed project must be made in writing between an auditing enterprise and a customer (an audited entity) before commencement of an audit;

(b) The audit contract may be med before an audit is completed;

(c) The audit contract must clearly define audit load and scope, rights and responsibilities of involved parties, audit progress, audit reports, audit service charges and payment terms.

Quality assurance

12. Auditors engaged in audits must be clearly aware of objectives and requirements of audits of final accounts of completed projects, must conduct these audits according to the prescribed procedures and actions to be taken in specific audit steps, express opinions on compliance with investment management regulations during the period of execution of projects, truthfulness and rationality of final accounts of completed projects on the basis of the State's regulations, Vietnamese Standards on Auditing in force and other fundamental requirements and procedures prescribed in this Standard.

13. The quality of an audit shall depend on the quality of an auditor, processes for audit and audit quality control, and shall be subject to the following particular provisions:

(a) Auditors must comply with relevant standards and regulations on professional ethics, including basic ethical standards such as integrity, objectivity (including independence), professional competency, discretion, confidentiality and professional conducts;

(b) Auditors must be assigned tasks relevant to professional competency, must be instructed in full and must supervise each audit step to ensure conformity with audit processes;

(c) During the audit process, whenever it is realized that assigned tasks are beyond their professional capability, auditors must report to members of the Boards of Directors taking overall control of an audit in order to consider whether experts should be consulted. **Audit steps, audit load and audit requirements**

14. Upon conducting an audit of the final account of a completed project, the auditor and auditing enterprise must perform activities involved in such audit according to the 3 following steps:

(a) Preparing an audit plan;

(b) Carrying out the audit;

(c) Ending the audit.

Preparing an audit plan

15. Auditor and auditing enterprise must duly apply regulations and instructions in the Vietnamese Standard on Auditing No. 300 – Preparation of plan for auditing of financial statements and other relevant ones over the preparation of a plan to audit the final account of a completed project. Paragraphs 16 through 25 in this Standard provide major regulations on preparation of plans for auditing of final accounts of completed projects.

16. Audit plans shall be prepared with respect to all audits of final accounts of completed projects and must be conformable to each audit of the final account of a completed project.

17. Objectives of preparing an audit plan:

(a) Assisting auditors in correctly focusing on important components of an audit; determining and solving problems that may occur in a timely manner; organizing and managing an audit in a proper manner in order to ensure that the audit is carried out effectively;

(b) Supporting the selection of members of an audit group who are professionally qualified and capable of handling potential risks; assigning tasks depending on each member's capability;

(c) Facilitating the direction and surveillance of an audit group, checking and review of activities to be performed by the group.

18. Members of the Board of Directors taking overall control of audits and major members of an audit group must participate in planning audits, including preparing and discussing an audit plan in collaboration with other members of an audit group.

19. The plan for auditing of the final account of a completed project shall be comprised of 2 components:

- (a) Overall audit plan;
- (b) Audit program.

Overall audit plan

20. An overall audit plan describes the scope and method of conduct of an audit. The overall audit plan must be prepared in full and detail as a basis to design an audit program. The form and scale of an overall audit plan shall depend on requirements of an audit contract, the scale of a project or the complicated nature of activities involved in an audit.

21. Key issues and matters that an auditor must consider and mention in an overall audit plan (see instructions given in paragraphs A6-A7 in this Standard):

- (a) Information about the audited project and the audited entity;
- (b) Identification of risks and materiality levels;
- (c) Audit personnel and duration.

[\(Sample of overall audit plan shown in Appendix 02 to this Standard\)](#)

Audit program

22. An audit program must define contents, schedule and scope of audit procedures necessary for implementation of the overall audit plan (see instructions given in paragraph A8 in this Standard).

23. The audit program of each auditing enterprise prepared and implemented by auditors and that auditing enterprise may vary, depending on characteristics of specific auditing enterprises and audits, but must meet audit objectives and conform to the overall audit plan as well as ensure efficiency of each audit.

Changes in an audit plan

24. In the course of conducting an audit, in case an unexpected event occurs, or audit information or evidence acquired during the audit process is very different from those used in preparation of an audit plan, auditors shall be charged with updating and revising the overall audit plan and the audit program.

25. After preparation of an audit plan, auditors must set an "audit agenda", enclosing the list of required documents provided for auditors, all of which are sent to the audited entity (see instructions given in paragraph A9 in this Standard).

[\(Sample list of required documents shown in the Appendix 04 in this Standard\).](#)

Carrying out an audit

Transferring and receiving materials and documents on finalization of a completed project

26. Audit evidence is collected mainly from documents on finalization of a completed project provided by the audited entity. Before carrying out an audit, the auditor and audited entity must transfer and receive documents and materials on finalization of the completed project under the provisions of paragraph 73 in this Standard.

Contents of an audit of the final account of a completed project

27. During the process of carrying out an audit, the auditor must inspect the following contents of the final account of the completed project under laws on finalization of completed projects and on the basis of application of regulations and instructions in Vietnamese Standards on Auditing relevant to each audit:

- (a) Inspecting legal documents;
- (b) Inspecting investment capital;
- (c) Inspecting investment costs;
- (d) Inspecting investment loss costs that are not charged into value of assets formed by investments;
- (e) Inspecting value of assets formed by investments;
- (f) Inspecting public debts and inventory items;
- (g) Inspecting compliance of the investor with conclusions of State Examination, Inspection and Audit authorities (if any).

Inspecting legal documents (see instructions in paragraph A10 in this Standard)

28. The auditor must check contents of legal documents and compare the list and procedures for implementation of legal documents in a project with relevant regulations in order to give opinions on:

- (a) Compliance with investment and construction processes and procedures in accordance with laws on investment and construction;
- (b) Compliance with processes and procedures for selection of contractors in accordance with laws on selection of contractors;
- (c) Conformance of negotiation and conclusion of contracts between investors and contractors to laws on contracts and contract-awarding decisions of competent entities.

Inspecting investment capital (see instructions given in paragraphs A11 - A14 in this Standard)

29. The auditor must check and give opinions on the aggregate number and details of investment capital already used in comparison with total approved investment specific to funding sources.

Inspecting investment costs

30. The auditor must check and give opinions on:

- (a) Total investment costs already incurred;
- (b) Details of specific investment costs of implementation of projects according to regulations and instructions on classifying costs under laws on preparation and management of appropriate investment and instruction costs over periods of time.

31. Costs of investment in implementation of projects required to be settled must not be beyond the scope of the project, design, estimate and total investment already approved, and must be similar to those agreed upon in contracts and other relevant regulations in effect. If costs of investment in implementation of projects required to be settled go beyond the scope of the project, design, estimate or total investment that has already been approved, contents, causes for incurring and total value of such costs must be clearly stated.

32. Value of contract settlement must be defined according to specific contractual pricing forms and particular terms and conditions of a contract, must be consistent with quality management documents attached to each contract or project item (see instructions given in paragraphs A15 - A16 in this Standard).

33. In case where there is any suspicion as to authenticity of information shown in documents on finalization of a completed project, the auditor can carry out the site inspection, measurement or taking of photos displaying the state of such information, etc. in order to provide more evidence about the existence of the project and/or the accuracy of information shown in these documents.

Inspecting investment loss costs that are not charged into value of assets formed by investments

34. Checking contents and bases for determination and value of investment costs required not to be charged into value of assets formed by investments with respect to project items (see instructions given in paragraphs A17 - A18 in this Standard), including:

- (a) Costs of investments lost owing to natural disasters, hostile acts and other force majeure events outside of insurance coverage;
- (b) Costs of investments in project items cancelled under decisions of competent entities.

Inspecting value of assets formed by investments

35. Inspecting values of assets formed by investments, arranged into groups and classes of assets (e.g. long-term and short-term assets), based on actual costs, including the followings: List of assets, quantity, historical costs (unit costs) and total historical cost (total value) (see instructions given in paragraphs A19 - A20 in this Standard).

Inspecting public debts and inventory items

36. Inspecting and determining receivables from and payables to related organizations and individuals on the basis of total amounts to be paid, already paid and total balance to be paid to organizations and individuals according to specific contracts, project items and payment accounts (see instructions given in paragraph A21 in this Standard).

37. Inspecting and determining the number and values of inventory items after investment, based on the actual number of supplies and equipment purchased, received and used in a project.

38. Inspecting and determining the number and remaining value of assets for project management purposes till the date of preparation of the final account of a completed project on the basis of the number, value of used assets and time already spent on using assets or the report on stocktaking and evaluation of assets intended for project management activities.

Inspecting compliance of the investor with conclusions of State Examination, Inspection and Audit authorities (if any).

39. The auditor shall collect written documents stating conclusions of State Examination, Inspection and Audit authorities (if any) related to the process of implementation of a project, the investor's report on compliance with these conclusions till the date of preparation of an audit report.

40. The auditor shall have to give comments on compliance of the investor with conclusions of State Examination, Inspection and Audit authorities (if any) concerning compliance with investment processes and procedures, and project finalization values.

Ending an audit

41. During the phase of ending of an audit, the auditor must carry out the following procedures:

- (a) Carrying out the overall analysis and review of audit results;
- (b) Preparing and issuing an audit report;
- (c) Handling issues arising after the reporting date.

Analyzing and reviewing all of audit results

Analytical procedures

42. Audit analysis and review procedures shall be carried out during the entire period of an audit and shall focus more on the overall analysis and review of audit results before audit conclusions are drawn (see instructions provided at paragraph A22 in this Standard).

43. Procedures for the overall analysis and review of audit results may help auditors gain more bases for re-evaluation of conclusions drawn during the entire auditing period in order for them to express their opinions on compliance with investment management regulations during the project implementation period and truthfulness and rationality of the final account of a completed project.

44. In case where the overall analysis and review of audit results discover material differences or inconsistent relationships, the auditor must carry out the additional inspection in order to collect sufficient appropriate audit evidence suitable for audit results.

Overall review of audit results

45. Auditors and auditing enterprises must carry out the overall review and evaluation of audit results gained from audit evidence collected, and use these conclusions to give audit opinions on compliance with investment management regulations during the project implementation period, the truthfulness and rationality of final accounts of completed projects.

46. Opinions of auditors and auditing enterprises must, in all material aspects, determine whether the project execution process conforms to regulations on investment management and a final account of a completed project gives a true and fair view of finalization of the project at the reporting time, conforms to accounting standards and regimes and other legislative regulations related to the preparation and representation of final accounts of completed projects.

Considering and consolidating audit results and opinions from audit reports of other auditors and auditing enterprises (if any)

47. As for projects in which competent audits are carried out by other auditors and auditing enterprises, the auditor in charge of carrying out audits of final accounts of completed projects must synthesize audit results and opinions from component audit reports. In the audit report, the auditor should clearly state use of component audit reports and scope of responsibilities held by other auditors.

48. In case where component audit reports have not yet been made in full, clearly or met requirements of audited entities, auditors and auditing enterprises may request auditors and auditing enterprises involved to give clear explanations or may recommend audited entities to carry out additional audits or re-audits of issues where necessary.

Preparing audit reports and management letters

49. Auditors and auditing enterprises shall have the burden of duly applying regulations and instructions provided in the Vietnamese Standard on Auditing No. 700 - Formation of audit opinions and reports on financial statements, the Vietnamese Standard on Auditing No. 705 – Audit opinions other than unqualified opinions and the Vietnamese Standard on Auditing No. 706 – “Emphasis of matters” or “Other matter” paragraphs in audit reports on financial statements with respect to preparation of audit reports on final accounts of completed projects.

Auditors must promptly consult with the investor in writing (*e.g. request letters or management letters*) about critical deficiencies of internal control discovered during the audit period.

Auditors and auditing enterprises must duly apply regulations and instructions provided in the Vietnamese Standard on Auditing No. 265 – Consultation about critical errors of internal control with the Managing Board and the Board of Directors of the audited entity to consultation with the investor about critical deficiencies of internal control.

Paragraphs from 50 to 65 in this Standard set out certain major regulations regarding the preparation of audit reports and management letters.

50. An audit report must be made in writing, including the following significant information:

(a) Name and address of the auditing enterprise;

(b) Number and title of the audit report: An audit report must clearly show the number of the audit report issued by the auditing enterprise or its branch (i.e. the official number registered for use in documents of that enterprise or branch). An audit report must be titled "Independent audit report";

(c) Recipient of the audit report: The audit report must clearly state the recipient that varies depending on specific audits;

(d) In the introduction paragraph of an audit report, the following information must be provided:

(1) Subjects of the audit;

(2) Name of the entity preparing the final account of the completed project;

(3) Date of preparation and number of pages of the final account of completed project which have already been audited.

(e) Responsibilities of the Board of Directors of the audited entity under the provisions of paragraph 08 in this Standard;

(f) Responsibilities of the auditor as per paragraph 09 in this Standard;

(g) Bases for and scope of the audit:

(1) Legal bases and documents on finalization of the completed project (see instructions given in paragraph A23 in this Standard);

(2) Scope of the audit, including audit load and audit procedures that the auditor has already implemented.

(h) Audit results:

(1) Overview of the project;

(2) Results of inspection of specific audit contents (see instructions given in paragraphs A24 - A27 in this Standard).

(i) Auditor's opinions (see regulations set forth in paragraphs 52 – 59 in this Standard);

(j) Auditor's recommendations (if any) to the audited entity (investor) and other parties involved in finalization of the completed project;

(k) Signature and full name of the auditor and stamp (see regulations set out in paragraph 60 in this Standard);

(l) Date of preparation of the audit report (see regulations laid down in paragraph 61 in this Standard).

[\(Sample of independent audit report shown in Appendix 05 to this Standard\)](#)

51. The full text of the audited final account of completed project prepared by the audited entity must be attached to the independent audit report.

Audit opinions

52. Auditors shall be responsible to express their opinions, in all material aspects, as to whether the project execution process conforms to regulations on investment management and a final account of a completed project gives a true and fair view of finalization of the project at the reporting time, conforms to accounting standards and regimes and other legislative regulations related to the preparation and representation of final accounts of completed projects.

53. Based on audit conditions and results, the auditor and auditing enterprise may give one of the following opinions in an audit report, including:

- (a) Unqualified opinion;
- (b) Opinions other than the unqualified opinion.

(a) Unqualified opinion

54. Auditors shall express their unqualified opinions if they conclude that, in all material aspects, (see instructions given in paragraphs A28 - A30 in this Standard):

- (a) the process of implementation of a project conforms to investment management regulations;
- (b) the final account of a completed project prepared by the audited entity has given a true and fair view of finalization of the project at the reporting time, conformed to auditing standards, regimes and legislative regulations related to the preparation and representation of final accounts of completed projects.

Audit opinions other than the unqualified opinion (see instructions given in paragraphs A31- A33 in this Standard):

55. The auditor shall be responsible for giving opinions other than the unqualified opinion in the audit report according to the Vietnamese Standard on Auditing No. 705 if they conclude that, in all material aspects,

- (a) the process of implementation of the project has conformed to investment management regulations, and/or the final account of completed project prepared by the audited entity contains material errors;

In case where the audited entity performs acts in breach of laws on investment management in the course of implementation of a project or legislative regulations regarding the preparation and representation of final accounts of completed projects, all of which may result in material errors in the final account of completed project, the audit report must clearly describe these violating acts.

- (b) Auditor cannot collect sufficient appropriate audit evidence in order to reach a conclusion that the process of implementation of the project has conformed to regulations on investment management and/or the final account of completed project prepared by the audited entity contains material errors.

56. Opinions other than the unqualified opinion shall be comprised of 3 following types of opinions:

- (a) Qualified opinion;
- (b) Disclaimer opinion;
- (c) Adverse opinion.

When giving any opinion other than the unqualified opinion about the final account of completed project, in addition to specific elements that need to be represented under regulations laid down in this Standard, the auditor shall have to supplement the audit report with a paragraph describing issues causing the auditor to express such opinion. The auditor must place this paragraph immediately in front of the audit opinion in an audit report and must use the title “Bases for the qualified opinion”, “Bases for the adverse opinion” or “Bases for the disclaimer opinion” where appropriate. This paragraph also describes and quantifies financial impacts of these issues on the final account of completed project, except the case in which it is impossible to do so. If it is unlikely to quantify financial impacts caused by these issues, the auditor must clearly explain such unlikelihood in the paragraph "bases for opinions other than the unqualified opinion".

Qualified opinion

57. The auditor shall express the “qualified opinion” if:

- (a) Based on sufficient appropriate evidence already collected, the auditor concludes that the project execution process has not yet conformed to regulations on investment management and/or errors, whether individually or in the aggregate, cause impacts which are material but not pervasive to the final account of completed project.
- (b) The auditor fails to collect sufficient appropriate audit evidence as a basis to draw a conclusion that the project execution process has conformed to regulations on investment management and/or as a basis to express the audit opinion on the final account of completed project, but the auditor concludes that possible impacts caused by errors not yet detected (if any) may be material but not pervasive to the final account of completed project.

Disclaimer opinion

58. The auditor shall have to refuse to express their opinion if they fail to collect sufficient appropriate audit evidence as a basis to draw a conclusion that the project execution process has conformed to regulations on investment management and/or as a basis to express the audit opinion on the final account of completed project, and they conclude that possible impacts may be material and pervasive to the final account of completed project.

Adverse opinion

59. The auditor must express the “adverse opinion” if based on sufficient appropriate evidence already collected the auditor concludes that the project execution process has not yet conformed to regulations on investment management and/or errors, whether individually or in the aggregate, cause material and pervasive impacts on the final account of completed project.

The auditor must affix their signature, full name and stamp.

60. The audit report must carry 2 signatures of 2 certified auditors and must clearly specify the auditor’s full name beneath each signature and number of the Certificate of audit practicing. The first signature shown on the audit report must be written by the certified auditor in charge of an audit and the second signature must be written by the legal representative of the auditing enterprise or the person authorized in writing by the legal representative. The legal representative or the person authorized in writing by the legal representative entitled to sign on the audit report must be a member of the Board of Directors taking overall control of an audit.

The certified auditor assigned to take charge of an audit and responsible for signing their name on the audit report must be an important person next to the member of the Board of Directors taking overall control of the audit, shall be held personally responsible for directing, carrying out, supervising and reviewing activities of the audit group. The auditing enterprise shall set out specific regulations on responsibilities and obligations of the certified auditor in charge of the audit.

The stamp of the auditing enterprise (or branch) responsible for issuing the audit report must be put onto the signature of the legal representative of the auditing enterprise or the authorized person. Pages of the audit report and the final account of completed project, all of which have already been audited, must carry the adjoining stamp of the auditing enterprise (or branch).

Date of preparation of the audit report

61. It must be the day that the auditor chooses to sign their name on the audit report and must be clearly stated in the report on auditing of the final account of completed project.

The date of preparation of the audit report shall not precede both the date of preparation of the final account of completed project and the date on which the auditor collect sufficient appropriate audit evidence as a basis to express their audit opinion on the final account of completed project. Owing to administrative procedures, it may be the temporal gap between the date of preparation of the audit report and the date on which the audit report is issued to the audited entity.

Events that the auditor may get to know after the date of preparation of the audit report

62. After the date of preparation of the audit report, the auditor shall not be obliged to carry out any procedures for auditing of the final account of completed project. However, after the date of preparation of the audit report and before the date on which the competent authority approves the

final account of completed project and during the permissible duration of verification for approval of the final account under the State's regulations, if the auditor is aware of events that would have obliged the auditor to correct the audit report if they are known on the date of preparation of the audit report, the auditor must:

- (a) discuss this issue with the Board of Directors of the audited entity;
- (b) decide whether the final account of completed project needs to be modified;
- (c) interview the Board of Directors of the audited entity about how they intend to deal with this issue in the final account of completed project in case of needing to modify the final account of completed project;
- (d) decide whether the audit report needs to be modified.

63. If the Board of Directors of the audited entity decides to modify the final account of completed project as already mentioned in paragraph 62 in this Standard, the auditor must:

- (a) carry out necessary audit procedures suitable to such modification;
- (b) issue a new audit report on the final account of completed project already modified and inform the authority competent to approve the final account of such modification;
- (c) extend audit procedures on the basis of duly apply regulations laid down in paragraphs 06 and 07 in the Vietnamese Standard on Auditing No. 560 – Events occurring from the date of ending of an accounting period to the date of preparation of a new audit report, and write the date of preparation of a new audit report which is not allowed to precede the date of preparation of the modified final account of completed project.

64. The auditor must supplement the modified audit report with the paragraph “Issues needing to be emphasized” or “Other issues” that mentions the paragraph of interpretation of the final account of completed project that gives clear explanations about reasons for modification of the final account of completed project and the previous audit report (see the Vietnamese Standard on Auditing No. 706).

65. Modification of the audit report shall be made only within the period from the date of preparation of the audit report to the date on which the competent authority approves the final account of completed project and within the specified duration of verification for approval of the final account in accordance with the State's regulations.

Audit materials and documents

Collecting audit evidence (see instructions given in paragraphs A34 - A36 in this Standard)

66. The auditor and auditing enterprise must duly apply regulations and instructions in the Vietnamese Standard on Auditing No. 500 - Audit evidence, the Vietnamese Standard on

Auditing No. 501 - Evidence of audit of special items, accounts and events, the Vietnamese Standard on Auditing No. 505 – Confirmatory information from outside and the Vietnamese Standard on Auditing No. 530 – Audit sampling for collection of audit evidence to the process of auditing of the final account of completed project. Paragraphs from 67 to 69 in this Standard set out certain major regulations regarding audit evidence.

67. The auditor and auditing enterprise must collect sufficient appropriate audit evidence as a basis to express their opinions on the final account of completed project.

Upon designing and implementing audit procedures, the auditor shall have to consider relevance and reliability of materials and information provided by the audited entity or collected from the outside of the audited entity or inspected or measured by the audit group for use as audit evidence. The auditor must have professional skepticism about the reliability of materials and information used as audit evidence.

68. In case where there is any conflict between audit evidence received from different sources, the auditor shall be responsible for determining additional inspection procedures necessary to deal with such conflict and reaching formal conclusions. In case of failure to collect sufficient appropriate audit evidence for a material information, the auditor must express an audit opinion other than the unqualified opinion.

69. In the course of implementation of an audit, the auditor shall be entitled to use services rendered by experts who are individuals or organizations holding professional experience in particular sectors in order to carry out certain audit activities. Upon using services rendered by experts, the auditor must carry out the assessment of competency, capability and the impartiality of these experts, and the assessment of appropriacy of services rendered by these experts in order to collect sufficient appropriate audit evidence used as a basis to express their audit opinions. Usage of services rendered by experts shall not lead to any relief of liabilities of the auditor for audit opinions. In such case, the auditor and auditing enterprise must consult the Vietnamese Standard on Auditing No. 620 – Use of services rendered by experts.

Collecting written explanations

70. In the course of implementation of an audit and after sending the draft audit report, the auditor in collaboration with the audited entity and other parties involved in discussing unanimous, contentious or problematic matters shall have to send the written application for instructions from relevant state regulatory authorities. The audited entity and parties involved may give the written explanation used as evidence for the auditor's audit opinion.

71. The auditor must collect evidence that the audited entity admits that they are responsible for complying with regulations on investment management in the course of implementation of the project, preparing and representing the final account of completed project in a true and fair manner and in conformity with accounting standards, regimes and other legislative regulations on preparation and representation of the final account of completed project, and are responsible for provision of a full number of documents on finalization of completed project and other relevant documents in accordance with regulations in force.

72. The auditor can collect the aforesaid evidence by holding meetings with the audited entity over this matter or requesting the head of the investor's entity or the investor's legal representative to provide "Investor's commitment". In such case, the auditor and auditing enterprise must consult the Vietnamese Standard on Auditing No. 580 – Written explanations. The written commitment of the investor or the investor's legal representative shall be filed in the audit documentation as audit evidence.

(Sample commitments shown in the Appendix 07 in this Standard)

Documents on finalization of completed project

73. The audited entity must prepare documents on finalization of completed project in accordance with the State's regulation on finalization of completed projects over periods of time (see instructions given in paragraph A37 in this Standard).

The audited entity shall be responsible for providing documents on finalization of completed project for the auditor and auditing enterprise for use in an audit.

Audit documentation

74. Auditor and auditing enterprise must duly apply regulations and instructions in the Vietnamese Standard on Auditing No. 230 – Audit materials and documents and other relevant ones over the preparation and storage of audit documentation. Paragraphs from 75 to 77 in this Standard set out certain major regulations regarding audit documentation.

75. Audit documentation must be prepared for use in audits of final accounts of completed projects of national importance, class-A or class-B projects in accordance with regulations in force. Class-C projects shall apply regulations and instructions in this Standard to preparation of appropriate audit documentation.

76. The auditor must collect and store all of necessary materials and information related to an audit in audit documentation as a basis to express their audit opinion and prove that the audit has been carried out according to Vietnamese Standards on Auditing. Audit documentation must be in full and in detail to the extent that the experienced auditor (who is not involved in an audit) or the person responsible for inspection and review is able to understand:

- (a) Contents, schedule and scope of audit procedures has already conformed to this Standard and other relevant ones, legislative requirements and other related regulations;
- (b) Results gained after implementation of audit procedures and audit evidence already collected;
- (c) Important matters arising from the audit process, conclusions drawn and other important professional judgements that are implemented upon drawing these conclusions.

(See instructions given in paragraphs A38 - A41 in this Standard).

77. Audit documentation shall be owned by and deemed as property of the auditing enterprise. The audited entity or the third party may consider using part or all of audit documents upon receipt of consent from the Director of the auditing enterprise or as per laws. Under no circumstances can the auditor's working files replace audit documentation or the final account of completed project (see instructions given in paragraph A42 in this Standard).

III/ INSTRUCTIONS FOR USE

When applying this Standard, it is necessary to consult the Vietnamese Standard on auditing No. 200.

Scope of application

A1. This Standard shall be duly applied to audits in one of the following cases (see instructions given in paragraph 01 in this Standard):

- (a) Audit of final accounts of suspended investment projects;
- (b) Audit of final accounts of subprojects or project items or construction works upon completion;
- (c) Audit of final accounts of completed planning projects funded by capital investment funds;
- (d) Audit of pre-investment costs of cancelled projects under the competent authority's decision;
- (e) The audit of the final account of each item or items included in the final account of completed project (*e.g. investment capital, investment costs, investment loss costs not charged into value of assets formed by investments, value of assets formed by investments, public debts, inventory items, inspection of compliance of the investor and entities involved with conclusions of the State Inspection, Examination and Audit agencies, etc.*) with respect to projects, subprojects, project items, construction works or items.

Professional ethical standards and regulations (see instructions given in paragraph 06(b) in this Standard)

A2. Auditors must comply with professional ethical standards and regulations, including:

- (a) Integrity;
- (b) Objectivity (including independence);
- (c) Professional competency and discretion;
- (d) Confidentiality;

(e) Professional conduct.

A3. In order to ensure independence under regulations and instructions in this Standard, regulations on professional ethics in the accounting and auditing field, if the auditor and auditing enterprise have already provided consulting services for preparation and completion of a part or all of final accounts of completed projects, they shall not be allowed to provide the service of auditing of such final accounts. In case where they have already provided the service of auditing of final accounts of completed projects, they shall not be allowed to provide the service of preparation and completion of a part or all of such final accounts.

Audit contracts (see instructions given in paragraph 11 in this Standard)

A4. The auditing enterprise may agree with the audited entity on terms and conditions of audit contracts provided that they conform to legislative regulations on contracts, regulations and instructions provided in the Vietnamese Standard on Auditing No. 210 and this Standard.

A5. Audit contracts shall comprise the following information, including but not limited to:

- (a) Contract signing bases;
- (b) Contract signing time, venue and parties involved in signing a contract;
- (c) Audit contents and scope;
- (d) Rights and responsibilities of parties involved;
- (e) Audit report;
- (f) Audit location and time;
- (g) Service charges and payment terms;
- (h) Commitments;
- (i) Validity period of a contract.

(Audit contract sample shown in Appendix 01 to this Standard)

Preparing an audit plan

Key issues and matters that the auditor must consider and present in an overall audit plan (see instructions given in paragraph 21 in this Standard)

A6. Information about the project and the audited entity (see instructions in paragraph 21(a) in this Standard)

(a) Basic project information: Project title; total investment outlay and investment funding sources; project scale; type and group of construction works; implementation location; time of commencement and completion; forms of selection of bidders awarded main contracts; forms of project management; major supplements or modifications to the project in the course of investment, etc.;

(b) Project execution progress and documents on finalization of the project: Already completed/level of completion; final account of completed project already prepared/not yet prepared, etc.;

(c) Project management capability and machinery;

(d) Information about internal control of the audited entity.

A7. Determination of risks and materiality levels (see instructions given in paragraph 21(b) in this Standard)

(a) Determining risks of material misstatement (e.g. inherent risks and control risk), based on which material audit zones are defined;

(b) Identifying materiality levels of audit objectives;

(c) Determining likelihood of material misstatement, based on the auditor's experience and judgement;

(d) Audit approaches to specific audit contents.

Upon determining and assessing risks, the auditor must duly apply regulations and instructions provided in the Vietnamese Standard on Auditing No. 315 - Determination and assessment of risks of material misstatement to the knowledge about the audited entity and its environment. In order to determine the materiality level, the auditor must duly apply regulations and instructions provided in the Vietnamese Standard on Auditing No. 320 – Levels of materiality for audit planning and implementation.

A8. Design of suitable audit procedures (see instructions given in paragraph 22 in this Standard)

(a) In case where the auditor determines specific risks of material misstatement to particular audit objectives, the auditor shall be required to design suitable audit procedures in order to deal with risks of material misstatement already identified.

(b) In case where there is none of risks of material misstatement identified in advance, the auditor shall still have to design and implement ordinary audit procedures for contents, data and information about explanation of audit materiality in order to ensure that the audit conforms to the Vietnamese Standard on Auditing and regulations laid down in this Standard. Details about audit procedures shall be provided in an audit program.

A9. An audit agenda shall include the following information (see instructions given in paragraph 25 in this Standard): auditing time, audit load, location, membership in the audit group and collaboration of the audited entity.

(see the sample of audit agenda in the Appendix 03 to this Standard)

Carrying out an audit

Contents of an audit of the final account of a completed project

Inspecting legal documents (see instructions in paragraph 28 in this Standard)

A10. Audit procedures for legal documents of a project must be designed and implemented according to the State's regulations in the investment sector:

- (a) Effect of these documents during the project execution period;
- (b) Relevance of these documents to investment contents (e.g. investment in construction projects; projects having construction components and none of construction components; projects in the electricity or telecommunications sector, etc.);
- (c) Relevance of these documents to applied subjects (e.g. projects financed by the state funds and other funding sources, etc.).

Inspecting investment capital (see instructions given in paragraph 29 in this Standard)

A11. Data on funds invested in a project shall be checked and compared by total and details of specific funding sources or specific years.

A12. Investment capital shall be determined through comparison of allocated, borrowed or payment amounts reported by the investor with amounts certified by funding, lending and paying entities concerned. In case where it is impossible to collect the comparison datasheet, the auditor must implement substitute audit procedures based on evidencing documents coming into existence.

A13. As for borrowed funds, it shall be necessary to inspect the borrowed and repaid amounts for the purpose of determining balance of borrowed funds at the time of closing of bookkeeping entries for preparation of the final account of completed project.

A14. As for foreign currency borrowed funds, it shall be compulsory to carry out the re-assessment of the balance of foreign currency borrowed funds on the date of closing of bookkeeping entries for preparation of the final account of completed project at the foreign exchange rates applied to specific projects.

Inspecting investment costs (see instructions given in paragraph 32 in this Standard)

Costs of investment in the project implemented by the investor itself or by the investor's hiring a contractor to perform the contract.

A15. Upon inspection of costs of investment in the project implemented by the investor itself, it shall be necessary to focus on inspecting:

- (a) the investor's conditions and capabilities for performing works;

(b) costs of investment in project implementation that need to be finalized must not exceed total approved investment, must be corresponding to norms and unit prices quoted by the State or must conform to principles of establishment of norms and unit prices under the State's regulations.

A16. Upon inspection of investment costs incurred by the contractor's implementation of a contract, the auditor shall inspect the value of finalized contracts, depending on specific forms of contractual prices, specific terms and conditions of the contract, in order to produce suitable audit procedures. Audit procedures for investment costs with respect to specific forms of contractual prices shall be designed to ensure relevance to:

(a) Payment characteristics, determination method and procedures for each form of contractual price under the State's regulations over periods of time;

(b) Contents of inspection of costs under regulations on finalization of completed projects promulgated by the State over periods of time;

(c) Processes for inspection according to instructions of the auditing enterprise or the professional audit organization.

Inspecting investment loss costs that are not charged into value of assets formed by investments (see instructions given in paragraph 34 in this Standard)

A17. Costs of investment lost owing to natural disasters, hostile acts and other force majeure events outside of insurance coverage: Inspecting causes and value of loss according to computation and confirmatory reports; checking compensation reports and evidencing documents of insurance companies used for calculating parts of loss outside of insurance coverage.

A18. Costs of investment in project items cancelled under decisions of competent entities: Inspecting contents and bases for cancellation and actual loss value arising from cancellation of workload already implemented.

Inspecting value of assets formed by investments (see instructions given in paragraph 35 in this Standard)

A19. Assets formed by investments may be classified into the following types:

(a) Long-term assets (tangible and intangible assets) conforming to recognition standards as provided in state regulations over periods of time;

(b) Short-term assets, including supplies and equipment in stock, expenses awaiting distribution.

A20. Inspecting value of assets calculated according to actual costs

(a) Inspecting the aggregation of actual costs associated with specific assets;

(b) Inspecting distribution of overall costs to specific fixed assets according to principles under which direct costs relating to fixed assets will be charged to these assets; if overall costs relate to multiple fixed assets, they will be distributed at the ratio of specific direct costs of fixed assets to total direct cost of all fixed assets or according to the State's regulations over periods of time.

Inspecting public debts and inventory items (see instructions given in paragraph 36 in this Standard)

A21. In case where there are receivables and payables in foreign currency, it shall be obligatory to reevaluate these debts on the date of closing of bookkeeping entries for preparation of the final account of completed project at the prescribed forex rate.

Ending an audit

Analyzing and reviewing all of audit results

A22. Commonly-used analysis activities (see instructions given in paragraph 42 in this Standard):

(a) Comparing total investment cost proposed to be finalized according to audit results with total investment outlay already approved;

(b) Comparing the finalized value of each cost according to audit results with the approved estimate.

Preparing the audit report

Legal bases and documents on finalization of the completed project (see instructions given in paragraph 50(g) in this Standard)

A23. Legal bases and documents on finalization of completed projects shall comprise:

(a) Legislative regulations regarding investment project management that are in effect during the project execution period;

(b) Documents on finalization of completed projects prescribed in laws (see more details in paragraph A37 in this Standard).

Audit results (see instructions given in paragraph 50(h) in this Standard)

A24. Auditors must clarify data "According to the final account" released by the audited entity prior to the audit, data of "audit results" in the auditor's opinion and/or comments corresponding to specific audit contents.

A25. In case where there is any variance (+/-) between data "According to the final account" and data of "audit results", the auditor must prepare the detailed annex defining affected subject matters and variance causes.

A26. An audit report may include other charts or annexes according to instructions of the auditing enterprise and arrangements between parties in an audit contract.

A27. As for the audited entity that is the investor or the investor's legal representative authorized to manage multiple projects containing material misstatement in the internal control that has been discovered during the audit process, the auditor must send the investor written correspondence (whether in a form of recommendation letter or management letter), describing deficiencies, explaining inherent impacts caused by these deficiencies and recommending correction measures for later use in projects.

The auditor and auditing enterprise may send management letters in the following cases:

- (a) Limitation to the audit scope causes the auditor to express the qualified opinion or refuse to express their opinion in the audit report and results from objective causes given by the audited entity;
- (b) The audited entity's disagreement about adjustments to material errors contained in the final account of completed project as requested by the auditing enterprise causes the auditor to express their qualified opinion or adverse opinion in the audit report;
- (c) Acts of violation against laws regarding the project execution process and/or the preparation and representation of the final account of completed project may inflict material errors in the final account of completed project.

Audit opinions

Unqualified opinion (see instructions given in paragraphs A31- A33 in this Standard)

A28. A final account of completed project obtains the auditor's unqualified opinion in all material aspects if the project execution process has conformed to investment management regulations, and the final account of completed project prepared by the audited entity has given a true and fair view of finalization of the project at the reporting time, conformed to auditing standards, regimes and legislative regulations related to the preparation and representation of final accounts of completed projects;

A29. Example of unqualified opinion:

"Based on materials and documents provided by the investor and inspection results, in our opinion and in all material aspects, the project execution process has conformed to regulations on investment management, and the final account of completed project has given a true and fair view of finalization of the project at the reporting time, conformed to accounting standards and regimes and other legislative regulations related to the preparation and representation of final accounts of completed projects".

A30. Although the auditor expresses their unqualified opinion, this does not mean that data included in the final account of completed project already audited are absolutely correct, but may contain errors that are deemed immaterial.

Audit opinions other than the unqualified opinion (see instructions given in paragraphs 55 – 59 in this Standard)

A31. Example of "Qualified opinion"

"Based on materials and documents provided by the investor and inspection results, in our opinion and in all material aspects, except for any impact on matters mentioned in the paragraph "Bases for qualified opinion", the project execution process has conformed to regulations on investment management, and the final account of completed project has given a true and fair view of finalization of the project at the reporting time, conformed to accounting standards and regimes and other legislative regulations related to the preparation and representation of final accounts of completed projects".

A32. Example of “Adverse opinion”:

"Based on materials and documents provided by the investor and inspection results, in our opinion and due to importance of matters mentioned in the paragraph “Bases for adverse opinion” as well as in all material aspects, the project execution process has not conformed to regulations on investment management, and the final account of completed project has not given a true and fair view of finalization of the project at the reporting time, not conformed to accounting standards and regimes and other legislative regulations related to the preparation and representation of final accounts of completed projects”.

A33. Example of “Disclaimer opinion”:

“Based on materials and documents provided by the investor and inspection results, in our opinion and due to importance of matters mentioned in the paragraph “Bases for disclaimer opinion”, we are unable to collect sufficient appropriate audit evidence. Therefore, we cannot give our opinion on the final account of completed project enclosed”.

Audit materials and documents

Audit evidence (see instructions given in paragraphs 66 - 69 in this Standard)

A34. On the basis of audit procedures specified in regulations and instructions provided in the Vietnamese Standard on Auditing No. 500, the auditor must duly apply them to the design and implementation of audit procedures for the final account of completed project in order to collect sufficient appropriate audit evidence as follows:

- (a) *Inspection*: The inspection shall include the inspection of documents on finalization of completed project, the inspection of the final account of completed project; the inspection of materials, evidencing documents or accounting books related to the final account of completed project; the inspection of assets in kind intended for project management activities; the inspection of contracts signed for determination of the finalized value of project items or packages, etc. ;
- (b) *Observation*: On-site observation may be needed to collect evidence concerning the existence of construction works, items and installed equipments, etc.;
- (c) *External confirmation*: This is the audit evidence that the auditor collects in a form of direct response letter of a third party such as paper letters, electronic letters, or in other form, about receivables and payables, etc. till the date of closing of bookkeeping entries for preparation of the final account of completed project;
- (d) *Recomputation*: This is the inspection of the mathematical accuracy of data, including the recomputation of the finalized value of workload whenever detecting errors in unit prices, norms or errors in project workload in the final account of completed project;
- (e) *Analytical procedures*: These analytical procedures shall include the evaluation of financial information made through the analysis of relationships between financial data and non-financial data during the process of inspection of documents on finalization of completed project and the final account of completed project. The analytical procedures shall comprise the inspection, where necessary, of fluctuations and relationships in order to determine inconsistency with other relevant materials and information, or any radical difference compared with the proposed value;

(f) *Inquiry*: This is aimed at seeking and assessing financial and non-financial information about the final account of completed project collected from persons who have learnt about the audited entity both internally and externally;

(g) *Reperformance*: This is the auditor's independent implementation of procedures or controls previously carried out as a part of internal control in the audited entity.

A35. Audit evidence shall be collected from different sources. The quality of audit evidence is affected by the relevance and reliability of materials and information used as a basis for audit evidence.

(a) The relevance of materials and information related to the project. For instance, the pricelist of input materials may be suitable for this project but unsuitable for other projects.

(b) The reliability of materials and information related to the origin of materials and information in conformity with the following principles:

(i) The reliability of audit evidence is increased when it is obtained from independent sources outside of the audited entity. For example, confirmation of value already paid to organizations and individuals involved in the project;

(ii) Audit evidence obtained directly by the auditor is more reliable than audit evidence obtained indirectly or by inference;

(iii) Audit evidence in documentary form, whether paper, electronic, or other medium, is more reliable than evidence obtained orally;

(iv) Audit evidence provided by original documents is more reliable than audit evidence provided by photocopies or facsimiles, or documents that have been transformed into electronic form.

A36. Selecting items for testing to obtain audit evidence

Depending on the nature of project and the auditor's judgements, the auditor selects items for testing by the following means:

(a) Selecting all items (100% examination): Applying this means to the work easily inflicting errors or the work that the auditor assesses as high risk or maybe applying this means to the formula-based calculation by the electronic medium;

(b) Selecting specific items: Applying this means to high value items or those having special features (for instance, items that are suspicious or have a history of error, etc.);

(c) Audit sampling: This is designed to apply to extremely high-load work. The auditor can carry out testing only to the number of items less than 100% of total items in that work.

Application of any one or combination of these means to obtaining audit evidence may be appropriate, depending on the particular circumstances.

Documents on finalization of the completed project (see instructions given in paragraph 73 in this Standard)

A37. Documents on finalization of completed project shall mainly include the followings:

(a) Report on finalization of completed project;

(b) Other relevant legislative documents;

(c) Contracts, contract settlement and report on contract discharge (if any);

(d) Documents on project quality management: Acceptance testing report for project components, construction phases and equipment installation; acceptance testing report for completed workloads; report for commissioning the completed project, project item or construction items before being brought into operation; etc.

(e) Inspection conclusions, testing report and audit report of the State Inspection, Examination and Audit (if any), enclosing the investor's report on compliance with conclusions made by the aforesaid State Inspection, Examination and Audit;

(f) Other documents related to project finalization, such as design and estimate documents; contractor selection documents; construction journal; as-built documents, etc. and other relevant evidencing documents and accounting books.

Audit documentation (see instructions given in paragraphs 75 - 76 in this Standard)

A38. The Vietnamese Standard on Auditing No. 230 and other relevant ones must be duly applied to the preparation and storage of audit documentation for audits of final accounts of completed projects.

A39. Audit documentation must be prepared and arranged in a particular order according to audit procedures implemented by the auditing enterprise. Audit documentation must be appropriate to customers, audited entities and audit contracts.

Working files included in audit documentation must be subject to the review at all usual levels including: preparers, reviewers and approvers according to review procedures adopted by the auditing enterprise.

A40. Audit documentation usually includes:

(a) Title and number of audit documentation; date (dd/mm/yyyy) of preparation and storage;

(b) Information about the audit group;

(c) Audit contract, appendices, acceptance testing and audit contract discharge reports (if any);

(d) Report on finalization of completed project;

(e) Audit report and management letter (if any);

(f) Overall audit plan;

(g) Audit program and procedures already implemented and obtained results;

(h) Recordings or photocopies of documents on finalization of completed project and relevant documents which are necessary according to the auditor's judgements;

(i) Spreadsheets and datasheets of the auditor;

(j) Detailed explanations, exchanges and reports;

(k) Other necessary documents.

The auditor and auditing enterprise must complete formal audit documentation within duration of 60 days from the date of preparation of audit reports under regulations and instructions provided in the Vietnamese Standard on Auditing No. 230.

A41. Working papers included in audit documentation must be checked and reviewed according to instructions and regulations provided in the Vietnamese Standard on Auditing No. 220 – Quality control of audits of financial statements, and contain audit evidence subject to the auditor's assessment opinions; audit evidence prepared by the auditor must be identified by date, signature and full name of the preparer, reviewer and approver. Audit documentation for finalization of completed project may be stored in documentary or electronic form. In case where there are contentious opinions between the preparer, reviewer and approver, or the project runs a lot of risks, contributing or approving opinions from an entity at the similar level must be sent to that reviewer or approver.

A42. The auditor and auditing enterprise must store audit documentation under laws on independent audits and relevant Vietnamese Standard on Auditing. Audit documentation must be stored within duration of 10 years from the date of preparation of an audit report.

A43. List of appendices:

- (1) Appendix 01 – Sample audit contract;
- (2) Appendix 02 – Sample of overall audit plan;
- (3) Appendix 03 – Sample of audit agenda;
- (4) Appendix – Sample list of required documents;
- (5) Appendix 05 – Sample of unqualified audit report;
- (6) Appendix 06 – Sample of qualified audit report;
- (7) Appendix 07 – Sample of investor's commitments.

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