

MINISTRY OF EDUCATION AND TRAINING MINISTRY OF FINANCE
ACADEMY OF FINANCE

NGHIEM XUAN DUNG

**IMPROVING THE ORGANIZATION OF AUDITING
THE FINAL SETTLEMENT REPORT OF A
CONSTRUCTION PROJECT COMPLETED BY AN
INDEPENDENT AUDITOR IN VIETNAM PRESENT**

Major : Accounting

Code : 9.34.03.01

SUMMARY OF THE DOCTOR OF ECONOMICS' DISSERTATION

HANOI - 2021

**The project is completed
at the Academy of Finance**

Science instructor: Assoc., PhD. Nguyen Thi Phương Hoa

Reviewer 1:
.....

Reviewer 2:
.....

Reviewer 3:
.....

**The dissertation will be defended at the Academy-level
Dissertation Council, meeting at the Academy of Finance**

At..... time..... day..... month..... year 20.....

**The dissertation can be found at the National Library
and the Academy of Finance's Library**

INTRODUCTION

1. Rationale

Independent audit of the final settlement report of completed capital construction investment projects is increasingly being developed, this activity contributes to preventing and limiting possible mistakes in capital construction investment activities, and at the same time contributes to increasing the reliability of information on the final settlement report of completed capital construction investment projects.

Theoretically, in recent years, there has not been a research work in a complete, comprehensive, scientific and systematic way on the organization of audit work of the financial statements of the project, the construction of the project, performed by the independent auditors of Vietnam.

In practice, Vietnamese independent auditing firms that audit the final settlement report of the completed capital construction investment projects still have many limitations that affect the quality of audit activities. The Completed capital construction investment project calculation.

Stemming from the above requirements for improvement of theory and practice, the study of the topic: *"Improving the organization of auditing the final settlement report of a construction project completed by an independent auditor in Vietnam present"* is urgent, meaningful in theory and practice.

2. Research overview

• National research works related to the thesis.

✓ A group of research works related to auditing the final settlement report of construction projects by the State Audit, including:

- Regarding the content of the method of auditing the final settlement report of completed construction works, a typical example can be mentioned is the doctoral thesis of author Tran Thi Ngoc Han (2012) with the topic *"Improving the contents and procedures Process and methods of auditing activities of road and bridge construction projects with the State capital are implemented by the State Audit"*.

- Doctoral thesis *"Auditing activities for the prevention of loss, waste and negativity in capital construction investment"* by author Hoang Van Luong - 2012.

- Doctoral thesis *"Improving the quality control of audit of investment projects performed by the State Audit"* by Cu Hoang Dieu - 2016.

✓ Group of research works related to audit of the financial statements of construction projects performed by independent auditors, including:

- Doctoral thesis of author Thinh Van Vinh (2000) with the title of *"Audit method of finalization report of completed capital construction"*.

- Academic-level scientific research project led by Assoc.Prof.Dr. Thinh Van Vinh (2015), *"Completing the organization of audits of financial statements of completed capital construction investment projects"*

• Research works abroad related to the thesis.

Through searching for information on the internet and open libraries of a number of universities, academies and PhD candidate, I have not found any scientific research abroad that mentions the organization of audit of financial statements. capital construction investment projects completed by independent auditors.

Conclusions drawn from the researched works: The researcher found that most of the researches on auditing related to capital construction projects only studied from the perspective of auditing state-funded and state-funded projects. The subject of implementation is the State audit agency of Vietnam, the research on quality control of investment project audit is carried out by the State audit. Besides, the published research works are still there some limitations:

About the research object; regarding the scope of research; About study time According to the survey of PhD candidate, up to now, there has not been any scientific research that has fully, scientifically and systematically studied the organization of audits of financial statements of completed capital construction projects completed by an independent auditor of Vietnam.

Research gaps: Within the scope of this thesis, the new points that the PhD student wants to delve into include: Researching and clarifying the concept of audited financial statements of capital construction investment projects in independent audit. establishing and connoting the term "organization of the audit of the financial statements of the project, the construction of the construction of the supporting staff by independent auditors", associated with the characteristics and characteristics of the research object and the research scope; Studying the characteristics and differences between the audit of the final settlement report of the completed capital construction investment project compared with the audits of the financial statements of the enterprise, through which the thesis focuses on in-depth generalization of the organization The audit of the final settlement report of the capital construction investment project completed by an independent auditor of Vietnam; From there, analyze and evaluate the current situation and propose solutions to improve the organization of the audit. The final settlement report of the completed capital construction investment project is currently carried out by an independent auditor of Vietnam.

3. Research objectives of the thesis

Systematize and supplement theoretical issues about the organization of audits Financial statements of completed capital construction investment projects performed by independent auditors, as well as study the characteristics of the investment projects. The impact of capital construction investment on the organization of audit The final settlement report of the completed capital construction investment project, which is currently performed by an independent Vietnamese auditor. Analysis and assessment of the current situation of organization of audit The financial statements of capital construction investment projects completed by independent auditors of Vietnam at present. From the systematic theory and the analyzed situation, the thesis The project provides views and solutions to complete the current limitations that are happening at independent auditing firms in Vietnam.

4. The object and scope of the thesis's research

a. Research object: Organization of audit of financial statements of completed capital construction investment projects performed by independent Vietnamese auditors.

b. Research scope

- *Regarding the research content:* The thesis focuses on studying the organization of auditing the final settlement reports of completed construction projects invested with state capital and other non-state capital sources by independent audit. Vietnam does. The thesis does not mention the operational audit in the audit of the final settlement report of the completed construction project.

- *Regarding research space:* The thesis examines the organization of audits of the final settlement reports of completed construction projects carried out by independent auditing firms in Vietnam, without surveying independent auditing firms. Establishments with foreign elements including Big4. Do not research with the subject of State audit or internal audit.

- *About research time:* The thesis chooses the research period from 2015 to 2020.

5. Research Methods

The research method used in the thesis is a qualitative research method through asking questions and carrying out an actual investigation on the organization of the audit of the final settlement report of the capital construction investment project completed by the Vietnam independent auditing firm uses common techniques such as interview, observation, examination of records, images and other documents....combined with quantitative research methods with techniques such as comparing, analyzing, synthesizing data, synthesizing survey results...

- Data collection method: Secondary data collection method: NCS collects data from sources such: specialized domestic audit textbooks, auditing standards, relevant regulatory documents to audit Vietnam's financial statements of construction projects. Methods of primary data collection: The thesis uses two methods: interviews and surveys to auditors and technicians of independent auditing companies that provide audit services for project settlement reports. construction investment completed in the period from 2015 to 2020.

6. Contribution of the thesis in terms of science and practice

The completion of the above thesis has the meaning of scientific theory and practical application.

Theoretical aspect: The thesis supplements and clarifies the theoretical system on organization of audit reports on finalization of capital construction investment projects completed by independent auditors, clarifies concepts, especially points of capital construction investment projects; the influence of the characteristics of the capital construction investment project on the organization of the audit of the final settlement report of the completed capital construction investment project.

In terms of practice: The thesis contributes to clarifying the current situation, results and limitations in the organization of auditing reports on finalization of capital construction investment projects completed by independent auditors in Vietnam at present to propose a number of solutions and recommendations to improve the organization of the audit of the final settlement report of the completed capital construction investment project.

7. Structural content of the thesis

In addition to the introduction, conclusion, list of references, and appendices, the main content of the thesis is presented in 3 chapters:

Chapter 1: The basic theory of the organization of the audit the finalization report of the completed capital construction investment project of the independent auditor.

Chapter 2: Actual situation of organization of audit the current financial statement of completed capital construction investment projects of independent auditing companies in Vietnam.

Chapter 3: Solutions to improve the organization of the audit The finalization report of the completed capital construction investment project is carried out by the independent Vietnamese auditor.

Chapter 1

BASIC THEORY ON ORGANIZATION OF AUDIT

FINAL REPORT OF BASIC CONSTRUCTION INVESTMENT PROJECTS COMPLETED BY INDEPENDENT AUDIT

1.1. BASIC ISSUES ABOUT BASIC CONSTRUCTION INVESTMENT PROJECTS AND AUDIT SETTLEMENT REPORT OF BASIC CONSTRUCTION INVESTMENT PROJECTS COMPLETED

1.1.1. Overview of the construction investment project and the final settlement report of the completed capital construction investment project

1.1.1.1. Construction investment project

Capital construction investment project is a set of proposals related to capital investment to create, expand or renovate certain facilities in order to achieve growth in quantity or maintain or improve, improve the quality of a product or service over a specified period of time.

Types of capital construction investment projects

Construction investment projects are classified according to the size, nature and type of main works of the project. Projects according to the criteria prescribed by the law on public

investment, including: Nationally important projects, group A projects, group B projects and group C projects.

1.1.1.2. Managing the implementation of completed capital construction investment projects

Construction investment projects using state budget capital are managed strictly, comprehensively and in the right order to ensure investment objectives, quality, implementation progress, cost savings and efficiency. Construction investment projects using capital other than State capital shall be managed by the State in terms of investment objectives, scale and impacts of the project on landscape, environment and safety community and national defense and security.

1.1.2. Characteristics of capital construction investment projects affect the organization of audit reports of completed capital construction investment projects

1.1.2.1. Characteristics of the investment process of capital construction projects

Due to the dominant characteristics of construction products, construction investment activities require compliance with the sequence of steps in each phase of the project. Based on the approved planning, the order of implementation of investment projects is carried out in steps in each stage.

1.1.2.2. Features of construction project management forms

Based on the capacity conditions of organizations and individuals, and the requirements of the project, the person deciding on investment in the construction of works shall decide to choose one of the following forms of management of the work construction investment project: The investor directly manages the project; The investor hires a project management consulting organization:

1.1.2.3. Characteristics of capital construction investment projects affect the organization of audit of the finalization report of the completed capital construction investment project

Firstly, the products of investment projects are single, diversified, large-scale constructions and work items with complex structure and long construction period.

Secondly, the characteristics of construction investment capital influence the investment process and directly affect the audit process.

Thirdly, the characteristics of construction costs of capital construction investment projects influence the audit process.

Fourthly, the specificity of the construction project management process affects the audit process.

1.1.2.4. Characteristics of the finalization report of the completed construction investment project affecting the organization of the audit The finalization report of the completed capital construction investment project

It is the characteristics of this reporting system that govern the determination of the purpose, content, sequence and technical methods applied in the audit of the final settlement report of the completed capital construction investment project.

1.1.3. Basic features of auditing the finalization report of the completed capital construction investment project

Firstly: Auditing the final settlement report of a completed capital construction investment project is a special case of an audit of financial statements.

Secondly, the audit of financial statements of completed capital construction projects is a close combination of three types of financial statement audits, compliance audits and operational audits in the same audit.

Thirdly, the audit of the final settlement report of the completed capital construction investment project is a special case of the financial statement audit, but the outstanding one is the compliance audit.

Fourthly, the audit of the final settlement report of the completed capital construction investment project has a unique feature that there is no concept of "next year audit".

Fifthly, understanding the internal control system and the process of studying the internal control system in the audit of the final settlement report of the completed capital construction investment project is also different from the audit of financial statements in general.

Sixthly, the audit content of the finalization report of the completed capital construction investment project is also different from the audit content of the financial statements.

Seventhly, the assessment of materiality in the audit of the finalization report of the completed capital construction investment project is also different from the audit of the financial statements.

Eighthly, the audit evidence in the audit of the finalization report of the completed capital construction investment project is also different from the audit of the financial statements.

Ninthly, the characteristics of applying methods and techniques of auditing financial statements to the final settlement report of completed capital construction investment projects are also different from those of auditing financial statements.

Tenthly, the project implementation process must fully comply with the law on investment management, the Law on Bidding, the Law on Public Investment, the Law on Management and Use of Public Assets and be subject to inspection and supervision of the Government competent state agencies.

Elevenly, The process of performing audits of financial statements of completed capital construction projects must comply with independent auditing standards, including Auditing Standard No. 1000.

1.2.CONTENT ORGANIZATION OF AUDIT FINALIZATION REPORT OF BASIC CONSTRUCTION INVESTMENT PROJECTS COMPLETED BY INDEPENDENT AUDIT

1.2.1. Auditing concept Finalization report of completed capital construction investment project

Auditing the finalization report of a completed capital construction investment project is the process by which independent and capable auditors collect and evaluate evidences on the completed capital construction investment project's final settlement report to be audited in order to confirm and report on the conformity of this report with established standards.

1.2.2. Objects, objectives, contents and audit grounds for the finalization report of the completed capital construction investment project

1.2.2.1. Audited subjects report on finalization of completed capital construction investment projects

The audited object is the final settlement report of the completed capital construction investment project. Specific subjects to whom the auditor needs to give confirmation on the truthfulness and reasonableness of the information in the finalization report of the completed capital construction investment project and the compliance with regulations on management construction investment manager.

1.2.2.2. Objectives of audit of financial statements of completed capital construction projects

The auditor expresses an opinion on whether the project implementation process complies with the regulations on investment management and whether the finalization report on the completed project is prepared in accordance with accounting standards, accounting regime, accounting and legal requirements related to the preparation and presentation of the final statement of project completion in all material respects.

1.2.2.3. Contents of audit of finalization report of completed capital construction investment project

Therefore, the audit content includes the following: Audit of legal documents; Investment capital audit; Investment cost audit; Auditing the cost of investment damage is not included in the value of assets formed through investment; Auditing the value of assets formed through investment; Auditing debts and backlog materials and equipment; Auditing the compliance of the Investor with the conclusions of the inspection, examination and auditing agencies.

1.2.2.4. Basis for auditing completed capital construction investment project's final settlement report

Audit bases are the sources of documents from which Auditors and Technicians can use to make audit evidence for the audit. In addition to information about the project and the audited unit, the Auditor and Technician should base on the following documents: Legal documents, construction records, and settlement records related to the project (the investment preparation stage, the investment implementation stage and the investment completion stage to put the project into operation and use); Other relevant records and documents.

1.2.3. Concept and meaning of auditing organization Finalization report of completed capital construction investment projects performed by independent auditors

1.2.3.1. The Concept of organization of audit of financial statements of completed capital construction projects

Organizing the audit of financial statements of capital construction investment projects completed by independent auditors is the determination of audit tasks to be done; arrange, group and group the identified audit work into groups of work and distribute to each person who is capable of performing, organize the application of audit methods and techniques to ensure the objectives of the audit report financial statements of completed capital construction investment projects according to the provisions of auditing standards.

1.2.3.2. Meaning of organization of audit of financial statements of completed capital construction projects

Organizing the audit of the financial statements of the completed capital construction investment project is very important, it determines the quality and effectiveness of an audit of the final settlement report

1.2.4. Organization of personnel in the audit of financial statements of completed capital construction projects

In order to perform well the audit service of financial statements of completed capital construction projects, the personnel directly involved in these audits is also a particularly important factor, especially the Roles of Auditors and Technicians. In addition to the importance of arranging the appropriate personnel structure, the qualification and experience of the auditors and technicians is also particularly important, affecting the quality of the audit work. Finalization report of completed capital construction investment project, however, this issue is still not taken seriously by auditing companies.

1.2.5. Organize the audit process for the completed capital construction investment project's final settlement report

1.2.5.1. Organization of audit planning

The audit plan for the completed capital construction investment project's final settlement report must be prepared for all audits of the completed capital construction project's finalization report and is suitable for each audit. An audit plan is made for each project, each work, and each work item. The completed and completed capital construction investment project's final settlement report audit plan includes: The overall audit plan and the audit program. After completing the above steps, the audit firm and the auditors decide to appoint a fixed audit group

or set up a new audit group, which arranges auditors, technicians, auditor management, and planning the time to perform the audit.

1.2.5.2. Auditing organization

- *Checking legal documents:* then the Auditor, Technician must check the contents, compare the list and the order of implementation of the project's legal documents against the provisions of relevant laws. related to give opinions on: The observance of investment and construction order and procedures in accordance with the law on investment and construction;

- *Checking investment capital:* Auditors must check and give opinions on the total and detailed investment capital made compared to the total approved investment capital according to each capital source.

- *Checking on investment costs:* Auditors and Technician must check and give opinions on: Total investment costs; Details of investment costs shall be made according to each type in accordance with regulations and guidance on classification of expenses in accordance with the law on formulation and management of construction investment costs in each appropriate time.

- *Check the cost of damage investment not included in the value of assets formed through investment:* Auditors, technicians check the contents, bases for determination and the value of proposed investment costs are not included property value formed through investment.

- *For outstanding debts and backlogged supplies and equipment, the Auditor must:* Check and determine receivables and payables for each related organization and individual on the basis of the total amount. the amount to be paid, already paid and still to be paid to each organization or individual according to each contract, item, and expense item.

- *Finally, the inspection of the Investor's compliance with the conclusions of the State Inspectorate, Inspection and Audit agencies (if any).*

1.2.5.3. End of audit

At this stage, the Auditor summarizes the results and makes audit conclusions. Thus, the procedures that Auditors and technicians must perform in this stage include: Analysis and overall review of the audit results; Prepare and issue audit reports on completed capital construction investment project decision reports; Handling the work arising after the date of making the audit report; Complete audit records.

1.2.6. Organization and application of technical methods of auditing Financial statements of completed capital construction investment projects

1.2.6.1. Auditing approach

In the audit of finalization statements of completed capital construction investment projects The auditor can apply one of the following audit approaches: the approach based on basic procedures, the method of systems approach, risk-based approach. Of the three methods above, the risk-based approach has the most advantages, it overcomes the disadvantages of the above two approaches. basically completed, this method has not been interested and applied by companies.

1.2.6.2. Organization of application of technical and professional methods in audit of financial statements of completed capital construction projects

- *Audit of compliance with regulations on construction investment management.*

Compliance with regulations in investment management Construction basically determines the quality of projects and works and the reliability of investment capital settlement reports.

- *Auditing investment capital of capital construction projects.*

Auditing method: The arising transactions related to the investment capital are usually not many and often have great value, so the Auditor usually conducts 100% audit of the arising transactions related to the investment capital. In necessary cases, the Auditor must obtain the

reconciliation and certification of the bank, the State Treasury, the agency allocating investment capital, the line ministry and concerned agencies.

- *Auditing investment costs of capital construction projects.*

Auditing method: Work construction costs and equipment installation costs are checked on the following contents: Value of the final settlement volume compared with the approved estimate, acceptance minutes, as-built drawings, date construction contract, minutes of arising volumes; Compliance with the State's regulations in the application of norms, unit prices, price slippage coefficient, application of winning bid units....

- *Audit of investment costs that are not included in the value of assets after investment.*

Auditing method: Check the expenses that the investor proposes not to be included in the value of the property handed over according to the current regime of the State in terms of: cost content, reasons and grounds for requesting no. included in the value of the property handed over, the authority of the permitting authority shall not be included in the value of the property handed over;

- *Audit of the value of the property handed over.*

Audit method: Check the list and value of assets handed over, including fixed assets and short-term assets, to the managed entities according to the handover minutes;

- *Auditing the situation of debts and backlog materials and equipment.*

Auditing method: The audit is done through inventory, confirmation or reconciliation of debts with related parties..

1.2.7. Organization of quality control of audit activities Finalization report of completed capital construction investment project

The audited object of the completed capital construction investment project settlement report is the completed capital construction investment finalization report. To ensure that the Auditor's opinion is consistent with the reality of the project and reliable as a basis for decision-making, it is necessary to control the quality of audit activities. The organization monitoring those standards should be done synchronously and regularly from both inside and outside the independent audit organization.

1.3. INTERNATIONAL EXPERIENCE ON ORGANIZATION OF AUDIT FINALIZATION REPORT OF COMPLETED BASIC CONSTRUCTION INVESTMENT PROJECTS AND LESSONS LEARNED FOR VIETNAM

1.3.1. Audit experience of Japanese Auditor

1.3.1.1. Organization of audits of the stages of the investment process

Including: Project planning phase; Stage design; Cost estimation stage (estimate); Bidding and contract signing stage; Organization of the audit of the construction phase.

1.3.1.2. Organization of planning audits of public works

1.3.1.3. Audit method

Including: Methods of document audit; Conduct on-site audits; Organizing audit reports;

1.3.2. China's audit experience.

- *Audit scope:* Audit of investment decisions; Auditing the design; Organizing the audit of the estimates; Audit of contracts and payments; Audit of operations.

- *Organization of audit human resources*

- *Organize audit report*

1.3.3. Auditing experience of the Federal Republic of Germany

When auditing an investment project, the Federal Auditor of Germany performs: Auditing organization of construction plans; Design audit organization; Organize audits of cost estimates; Organize audit of contract assignment; Organize the construction audit; Organization of audits of settlements; Construction Finishing Audit.

1.3.4. Lessons learned from international experience in organizing the audit of financial statements of completed capital construction projects

The author draws some lessons from experience in organizing the audit of financial statements of capital construction projects performed by independent Vietnamese auditors as follows.

- *Lessons learned on audit scope*
- *Lessons learned on performing different types of audits when auditing the final settlement reports of completed capital construction projects performed by independent auditors.*
- *Lessons learned on the arrangement of audit personnel*

CONCLUSION CHAPTER 1

Chapter 1 of the thesis presented the basic issues with logical relationship: First: Systematize the basic theories about the organization of auditing in general. Second: The characteristics of the capital construction investment projects that affect the organization of the audit of the finalization report of the completed capital construction investment project in determining the content and process, audit methods, organizational structure, audit quality control Finalization report of completed capital construction investment project. In addition, the thesis provides a broader perspective in auditing the capital construction investment settlement report completed through an audit approach based on risk assessment and determining materiality in the audit of the final settlement report. Completed capital construction investment project.

These are the guidelines and grounds for reviewing and evaluating the organizational status of the audit of the finalization report of the completed capital construction investment project of the current audit firms presented in chapter 2. At the same time, this is also the basis for the thesis to provide the complete solutions in chapter 3 based on the arguments presented in this chapter 1.

Chapter 2

THE STATUS OF ORGANIZATION OF THE AUDIT REPORT SETTLEMENT OF CURRENTLY COMPLETE BASIC CONSTRUCTION INVESTMENT PROJECTS OF INDEPENDENT AUDIT COMPANIES IN VIETNAM

2.1. OVERVIEW OF THE FOUNDATION AND DEVELOPMENT OF INDEPENDENT AUDIT IN VIETNAM

2.1.1. Overview of independent audit in Vietnam today

2.1.1.1. The process of formation and development of independent audit in Vietnam

On May 13, 1991 under license No. 957/PPTL of the Prime Minister, the Ministry of Finance signed the decision to establish two auditing companies, both under the Ministry of Finance: Decision No. 165-TC/QD/TCCB established Vietnam Auditing Company with the transaction name VACO (now Deloitte Vietnam Auditing Company Limited); Decision No. 164-TC/QD/TCCB to establish Accounting Services Company with trading name as ASC, on September 14, 1993 the Company changed its name to Financial Accounting, Auditing and Consulting Services Company (Accounting and Auditing Services Company). AASC) under Decision No. 639-TC/QD/TCCB (now AASC Auditing Firm Limited Liability Company). This event is a major turning point officially marking the birth of independent auditing activities in Vietnam.

2.1.1.2. Ownership form and size of independent auditing firms in Vietnam

The forms of ownership of independent auditing firms are: Partnership, Private Enterprise and Limited Liability Company with two or more members. The size of audit firms next year has a significant change compared to the previous year.

2.1.1.3. Features of the service provided

Services provided by independent auditing firms in Vietnam are regulated in Law on Independent Audit No. 67/2011/QH12 dated March 29, 2011 including: audit services (auditing financial statements), performance audit, compliance audit, review audit, completed project finalization report audit, financial statement audit for tax purposes and other audit work).

2.1.1.4. Customer characteristics

Compulsory subjects are enterprises and organizations that are required by law to have annual financial statements audited by an audit firm. Voluntary customers are entities that use audited financial statements to participate in bidding or borrow capital, or some customers voluntarily sign contracts to audit financial statements for independent auditing firms. established to evaluate the actual work of accounting, improve internal control,...

2.1.1.5. Quantity and quality of auditors

The increasing number of Vietnamese people with international auditor certificates shows that auditors in independent auditing firms in Vietnam have been preparing for the process of regional and world economic integration gender.

2.1.2. The results achieved during the operation of the independent auditors in Vietnam

Since its inception, independent auditing firms have performed tens of thousands of audits with different sizes in many fields: Auditing financial statements for businesses and organizations; Auditing the completed project settlement report; Audit according to agreed procedures; Reviewing Financial Statements; Valuation of state-owned enterprises converted to joint-stock companies; Financial consulting, accounting, tax consulting.

2.2. CURRENT CONSTRUCTION INVESTMENT ACTIVITIES IN VIETNAM

2.2.1. Results achieved in investment activities in capital construction projects

Over the years, the state has spent a relatively large capital for capital construction and achieved positive results. Investment activities for capital construction have contributed to the development of an infrastructure - technical system, essential for society, having a direct influence on economic, social, political, security and national development. room in the process of industrialization and modernization of the country.

2.2.2. Limitations in investment activities in capital construction projects

Besides the achieved results, investment activities in capital construction projects still have limitations, especially for capital construction projects using state capital, for capital construction projects. Basic construction using other capital sources.

2.3. THE STATUS OF ORGANIZATION OF AUDITING RESPONSIBILITIES REPORT ON FINAL CONSTRUCTION PROJECTS COMPLETED CURRENTLY BY VIETNAM INDEPENDENT AUDIT COMPANY

2.3.1. Legal basis for auditing activities Finalization report of completed capital construction investment projects by independent Vietnamese auditors

The independent audit activity in Vietnam began to take shape in 1991, the Government issued Decree No. 07-CP dated January 29, 1994 promulgating the Regulation on independent audit in the national economy. Law on Independent Audit No. 67/2011/QH12 was promulgated on March 29, 2011, followed by the Ministry of Finance promulgating many documents and auditing standards related to the audit of project finalization reports completed capital construction investment project.

2.3.2. Actual situation of personnel organization participating in the audit of the finalization report of the completed capital construction investment project

2.3.2.1. Actual situation of personnel participating in audit of financial statements of completed capital construction investment projects

The personnel participating in the audit of the final settlement report of the capital construction investment project are mainly auditors, technicians and audit assistants. However, the quality of the team of Auditors and Technicians is uneven among companies, the number of inexperienced technicians still accounts for a high percentage. Therefore, the qualification and experience of the Technician will greatly affect the quality of the audit of the final settlement report of the completed capital construction investment project.

2.3.2.2. The current situation of how the organization and personnel participate in the audit of the finalization report of the completed capital construction investment project

Due to the current situation of human resources performing the audit of financial statements of completed capital construction projects, there are certain limitations. Faced with that situation, independent auditing firms that organize the construction and operation of personnel involved in auditing work at the company level are also organized into specialized departments as well as audit groups that are divided and assigned to each other. It is very necessary for Auditors and Technicians to perform corresponding work in accordance with the workload of each Construction project.

2.3.3. Actual situation of objects, objectives, contents and audit bases Finalization report of completed capital construction investment project

2.3.3.1. About the audit object

The main audit object that independent auditing firms and auditors usually identify is the final statement of the investor's completed capital construction investment project. However, due to the specificity of the project as well as to limit the shortcomings or omissions in the audit work, the Auditor needs to expand the audit object. The audited objects that need to be further identified are reports and forms serving the settlement approval process such as reports on conversion of construction investment capital for projects invested with state capital.

2.3.3.2. Regarding the exact objectives of the audit, the final settlement report of the completed capital construction investment project

The auditors and auditing firms both correctly identified the overall objective of the audit of the final settlement report of the completed capital construction investment project, however, there are still some audits in the process of implementation. The auditor has not fully defined the detailed objectives of the audit.

2.3.3.3. Actual situation of audited content of financial statements of completed capital construction projects

Independent Vietnamese auditing firms determine the audit content of the completed capital construction investment project's final settlement report as follows:

- ❖ *Audit of legal documents of the project:* The examination of the project's legal records to assess the audited entity's compliance with the regulations on investment and construction procedures and regulations. management, allocation and use of investment capital of the project. However, the inspection of the project's legal documents is not carried out in the order of project implementation from the investment preparation stage to the investment implementation stage and the investment completion stage to put the project into operation. use.

- ❖ *Auditing the investment capital of the project:* The auditor must examine and give opinions on the total and detailed investment capital that has been made compared to the total approved investment capital according to each capital source. The reason that auditors omit a lot of inspection procedures is because companies when auditing completed capital construction

project finalization reports mainly focus on checking technical documents. works, checking volume, unit price included in project settlement.

❖ *Audit of project investment costs:* Investment costs of the project can be implemented by the investor himself or by the investor hiring contractors to perform under the contract. Through the survey results of the author, it is shown that the actual status of other cost audits of the Capital Construction project performed by auditing companies is still sketchy, mainly collecting documents on incurred costs, then summarizing, classifying costs, checking and comparing details, checking the accounting books have not been paid much attention by the auditors.

❖ *Auditing the cost of damage investment not included in the value of assets formed through investment:* Auditing procedures with this item include: Checking the cause and value of damage according to the calculation minutes, confirm; check the insurance company's claim records and documents to calculate the part of the damage that is not covered by insurance; Check the content, grounds of the cancellation, the actual damage value of the cancellation of the executed volumes.

❖ *Auditing the value of assets formed through investment:* Assets formed through investment can be classified according to groups and types of assets (long-term assets, short-term assets) according to actual costs, including contents: List of assets, quantity, original price (unit price), total cost (total value). Long-term assets (tangible and intangible fixed assets) in accordance with the recognition standards prescribed by the State in the appropriate period; Short-term assets, including supplies, spare equipment, pending expenses.

❖ *Audit of outstanding debts and materials and equipment:* Through the author's survey results, it shows the actual status of auditing. Checking debts and backlogged materials and equipment are audited by the auditors of the company. Auditing firms perform only a few contents such as collecting payment documents, classifying receivables and payables, summarizing the value of backlogged supplies and equipment. Not participating in inventory of backlogged materials and equipment, rarely carrying out procedures to send confirmation letters of receivables and payables through the investor.

2.3.3.4. Actual situation of audit bases for financial statements of completed capital construction projects

Most of the audit bases for the finalization reports of completed capital construction investment projects are fully collected by the auditing companies. However, this is not enough, but it is necessary to have an additional audit basis, which is to participate in the audit from the start of construction to both on-site audits and on the basis of project records, especially projects. The project is designed to be adjusted, and the investment capital is changed many times, which is very necessary.

2.3.4. Actual situation of organization of audit process Finalization report of completed capital construction investment project

2.3.4.1. Status of audit planning stage

1. Review of client acceptance and audit contract risk assessment

The first work step in the planning phase will be to evaluate the customer to determine if the company accepts the customer and, if so, to what extent (ie. risk will be high, medium or low). This assessment will be performed prior to signing the audit contract.

2. Making an audit contract

An important step before signing an audit engagement is to assess the risk of the engagement. The assessment of the level of risk is decisive to determining the audit fee, the contract is signed according to the following steps: Draft the audit contract and then send it to the client for reference and comments on amendments or additional; Sign the official contract on the basis of the customer's official consent through the acceptance of the draft contract.

3. Find out about customers and project information

In performing an audit, the Auditor is required to obtain information about the project and the client to identify and understand the events, transactions, and implementation of the project that have a material impact on the performance of the project compliance with regulations on investment management during project implementation and finalization reports of completed capital construction investment projects thereby identifying risks of material misstatement due to fraud or error.

4. Understanding and evaluating Internal Control

This step of work is carried out quite formally by companies, especially with small projects, which have not been highly effective in helping the Auditor gain a deep understanding of the project, the Project Management Board as well as the identify and assess the risk of material misstatement in the final settlement report of completed capital construction investment projects in order to prepare and conduct an effective and quality audit.

5. Learn the process of making and preliminarily analyzing the final settlement report of a completed capital construction investment project

This work is mainly done by the heads/heads of departments and audit team leaders, to review the process of making the final settlement report of the completed capital construction investment project by the Project Management Board. strictly follow the procedures and instructions of the current accounting regime, accounting standards and guiding documents of the Ministry of Finance in the preparation of financial statements of completed capital construction projects.

6. Determination of materiality and audit risk

Determine the materiality of data and explanations in the final settlement report of the completed capital construction investment project prepared and approved in accordance with the policy of the Auditing Company.

To achieve the objectives and purposes of the audit, the Auditor needs to identify risks; risk assessment of audit of financial statements of completed capital construction investment projects through the following specific contents: Determination of criteria used to estimate overall materiality; Select a ratio to determine overall materiality; Determination of materiality overall and materiality for specific elements of the completed project finalization report; Determination of performance materiality; Determine the threshold of insignificant error/negligible error; Re-evaluate materiality during the audit.

7. Develop a personnel plan

Regarding the selection of personnel to participate in the audit of the final settlement report of the completed capital construction investment project of the surveyed audit companies, they are basically the same and must satisfy certain requirements. Auditors participating in the audit must have a firm grasp of the objectives and requirements of the audit of the completed project settlement report, and must perform the audit process in accordance with the order and content of the audit steps.

8. Synthesize the audit plan and discuss with the client.

Auditing firms will summarize the entire content of the overall audit strategy and audit plan into a document called "Audit plan summary" or "Strategy and audit plan" general math". This summary of the audit plan is the basis for audit firms to develop a detailed audit program for the elements in the final settlement report of the completed capital construction investment project. An audit program is a detailed list of the content, time and scope of the audit procedures to be performed, and the personnel performing the procedures for each audited item.

2.3.4.2. Conduct audits

Auditors must check: The project's legal documents, Auditors, Technicians check the project's investment capital; Auditing investment costs of the project; The auditor must check

that the cost of damage investment is not included in the value of assets formed through investment; The procedure to check the value of assets formed through investment is also an important procedure carried out by companies. The accurate determination of the outstanding debts and materials and equipment of the project is also the work that the auditing companies carry out after completing the inspection of the project investment cost items. Check and determine the quantity and value of backlog materials and equipment after the investment as well as check and determine the quantity and residual value of assets for the operation of the project management board up to the date of the project. Preparation of financial statements of completed capital construction projects is rarely done by Auditors and Technicians

2.3.4.3. End of audit

On the basis of detailed inspection results at the stage of audit implementation, according to the provisions of Vietnam Auditing Standard No. 1000, at this stage, the audit firms perform the following procedures: Analysis, control overall review of audit results; Prepare audit reports; Handling of tasks arising after the date of making the audit report;

2.3.5. Actual situation of the organization applying the auditing professional technical method Finalization report of the completed capital construction investment project

2.3.5.1. Current status of audit approach

In the audit of finalization statements of completed capital construction investment projects the auditor can apply one of the following audit approaches: the approach based on basic procedures, the method of systems approach, risk-based approach. In addition to the above two approaches, the Auditor when performing the audit of the finalization report of the completed capital construction investment project can apply the method of risk assessment and determination of materiality for financial audit in the project. field of audit of capital construction investment project settlement reports. The auditor applies risk assessment and audit materiality appropriately when planning the audit, performing the audit, and concluding the audit.

2.3.5.2. Actual situation of applying professional technical methods to audit financial statements of completed capital construction projects.

The actual situation of applying the compliance method and the basic method of auditing firms is as follows: Applying the compliance method; Use basic methods. Companies and Auditors do not have a clear distinction on the application of the combination of two basic audit methods and compliance audits, but the most prominent is the compliance audit method in the audit of the Decision Report capital construction investment project is completed.

2.3.6. Actual situation of organization of quality control of audit activities Finalization report of completed capital construction investment project

In Vietnam, the quality control of audits of financial statements of completed capital construction projects in accordance with regulations is carried out both from inside and outside the auditing company.

Quality control activities of auditing financial statements of capital construction projects completed from outside the auditing company in accordance with regulations are carried out by the Vietnam Association of Certified Public Accountants (VACPA) and the financial. Quality control activities, audits of final settlement reports of capital construction investment projects completed from the inside, are performed by auditing firms within the general quality control policy of the whole company. set of audit activities and assurance services of audit firms.

Most of the audit records have not applied the analytical process when planning, performing the audit and in the overall review stage, most only focus on detailed examination, looking for detection risks. It is very difficult to arrange, assign, assign, and separate the review levels at the audit firm to ensure optimal efficiency.

2.4. ASSESSMENT OF THE STATUS OF THE ORGANIZATION OF THE AUDIENCE STATEMENT REPORT OF THE COMPLETED BASIC CONSTRUCTION INVESTMENT PROJECTS OF INDEPENDENT AUDIT COMPANIES IN VIETNAM

2.4.1. Achievements and results achieved

Since its inception until now, the results achieved in the organization of auditing the final settlement report of completed capital construction investment projects of the independent Vietnamese auditors have been: completed capital construction investment projects are becoming more and more professional, methodical and systematic; The team of auditors and technicians participating in the audit of the final settlement report of the completed capital construction investment project has been increasingly improved in both quantity and quality; Regarding the identification of the subjects, objectives and contents of the audit of the final settlement report of the completed capital construction investment project; Although the audit of financial statements of completed capital construction projects still has certain difficulties and complications, it has gradually affirmed its indispensable role and importance in the international economy people.

2.4.2. Limitations and obstacles in organizing the audit of finalization reports of completed capital construction projects performed by Vietnam's independent auditors at present

Firstly, Regarding the organization and personnel involved in the audit of the final settlement report of the completed capital construction investment project.

The number of auditors who have access to and participate in auditing completed project settlement reports is very small and inexperienced, while the nature and characteristics of the work require experienced auditors. and has directly participated in this audit. Currently, there are still quite a few companies that are not organized into specialized departments for auditing capital construction investment projects.

Secondly, Regarding the subjects, objectives and basis for auditing the final settlement report of completed capital construction

About the audit object: The correct and complete certification of the audited object will ensure that the Auditor and the audit firm can correctly determine the scope and subject of the audit; summarize all the key issues in the audit of the final settlement report of the completed capital construction investment project in order to limit risks, ensure quality and efficiency in the audit.

Regarding audit objectives: Currently, the audit objective of the completed capital construction investment project finalization report is usually just to confirm the reliability of the information presented on the project settlement report. capital construction investment completed. However, in the process of implementation, there are still some auditing companies and the auditors have not fully determined the detailed objectives of the audit.

Regarding audit bases: When performing audits, most of the audit bases for finalization reports of completed capital construction investment projects are fully collected by auditing companies, including dossiers and documents. important related to capital construction investment projects.

Thirdly, on determining the audit content of the finalization report of the completed capital construction investment project

In fact, in today's auditing companies, the audit contents are generally determined for every audit of the final settlement report of the completed capital construction investment project but have not been specified for each audit. as well as each type of investment project. Therefore, in each audit of the final settlement report of a completed capital construction investment project,

there will be a state of missing or excess content that affects the scope, quality and effectiveness of the audit.

Fourthly, Regarding the process of auditing completed capital construction investment project settlement reports

In fact, there are only a few large-scale auditing firms with many years of experience that have built up a process to audit the final settlement reports of capital construction investment projects. audit finalization reports of completed capital construction investment projects. Auditors often apply a pre-designed general audit process or follow a pattern designed by VACPA, and some companies do it. according to the auditor's experience without following any procedure.

Fifthly, About the audit approach

However, in reality, with the audit of the completed capital construction investment project's final settlement report, most auditing companies have not applied the standard risk-based audit method but have performed the audit on system evaluation basis. Thus, from not applying an audit approach based on risk assessment, it will easily lead to a longer time to participate in the audit, an increase in the number of employees involved, an increase in costs for the audit team, and an increase in costs for the audit team. reduce the effectiveness of the company's audit activities.

Sixthly, Regarding the quality control of the audit of the final settlement report of the completed capital construction investment project

It is very important to develop a process to check and review the quality of each audit of the final settlement report of a completed capital construction investment project, but at present this issue has not been given due attention. Most companies apply the quality control process to audit financial statements without developing and issuing a process to check and review the quality of each audit of investment project settlement reports Basic construction completed.

2.4.3. Cause of the situation

The current legal regulations on audit of financial statements of completed capital construction investment projects are still not strict and not really synchronous, overlapping, difficult to implement, even some documents are still incomplete. contradict each other; Recruitment, training and fostering policies are very bad, the effectiveness of training and fostering for employees at companies is low; The professional and technical support of professional associations has not had much effect in providing auditing services of financial statements of completed capital construction investment projects of auditing companies.

CONCLUSION CHAPTER 2

Chapter 2 of the thesis has clarified basically the actual situation of organization of audit of financial statements of construction investment projects which are completed by the independent auditing firms in Vietnam today. At the same time, the thesis also analyzes and evaluates the successes and limitations of the current status of auditing the final settlement reports of completed capital construction investment projects of the current auditing firms. Through that, the thesis has pointed out the causes and limitations of the situation, as well as international experiences in the organization of audit work of developed countries and close to the socio-economic conditions of Vietnam. Nam to draw lessons for Vietnam and this is a solid basis for the topic to offer convincing solutions in chapter 3.

Chapter 3
SOLUTION TO COMPLETE AUDIT ORGANIZATION
FINAL REPORT OF BASIC CONSTRUCTION INVESTMENT PROJECTS
COMPLETED BY VIETNAM INDEPENDENT AUDIT

3.1. ORIENTATION FOR DEVELOPMENT OF INDEPENDENT AUDIT ACTIVITIES IN VIETNAM AND PRINCIPLES FOR PERFECTING ORGANIZATION OF THE AUDIENCE OF INDEPENDENT AUDIT COMPANY IN VIETNAM

3.1.1. Orientation to develop independent auditing activities in Vietnam, including audit of financial statements of completed capital construction projects

3.1.1.1. Accounting-Auditing Strategy and Vision 2030

To create a complete accounting and auditing system in line with the management mechanism of the State of Vietnam and to develop the profession of accounting and auditing in the region and the region. in order to satisfy information requirements for management, administration, inventory and control of the economy's resources, economic and financial activities of the country.

3.1.1.2. Demand for capital construction investment development and audit requirements for final settlement reports of completed capital construction investment projects of our country in the coming time

With the demand for development and investment of construction works With the increasing basic of the economy, the demand for audited financial statements of completed capital construction projects is increasing in terms of the number of audits, and at the same time, the audit quality is increasingly required to establish an information system on economy - finance - budget to serve the economic management and decisions of the State as well as of each unit, organization and enterprise.

3.1.2. Perfection Principle

Principle 1: Improve the organization of audit of financial statements of completed capital construction projects to ensure uniformity.

Principle 2: Improve the organization of audits of financial statements of completed capital construction projects to ensure quality and efficiency.

Principle 3: Improve the organization of the audit of the finalization report of the completed capital construction investment project, which has both theoretical meaning and ensures practical applicability in the audit.

Principle 4: Completing the organization of audits of financial statements of completed capital construction projects must be based on the Law on Independent Auditing, other relevant legal documents, and other relevant information. Auditing rules and standards related to the audit of financial statements of completed capital construction projects issued in Vietnam.

Principle 5: To improve the organization of the audit of the completed capital construction investment project's settlement report, which must reflect generally, fully and comprehensively the issues of an audit of the project's final settlement report. Capital construction investment project completed. At the same time, it must meet the requirements of audit quality assurance from the Ministry of Finance, meet the requirements to increase the reliability of the information on the final settlement report of the completed capital construction investment project.

Principle 6: To improve the organization of audit of settlement reports of investment projects Completed capital construction must meet innovation requirements associated with the 4.0 technology revolution and deploy report audit software Finalization of completed capital construction investment projects helps auditors and technicians apply them in a practical way to ensure practicality and efficiency in audit activities.

3.2. FINISHING THE ORGANIZATION OF THE AUDIT FINALING RESPONSIBILITIES COMPLETED BY INDEPENDENT AUDIT COMPANIES IN VIETNAM

3.2.1. Completing the organization of personnel participating in the audit of the finalization report of the completed capital construction investment project

Firstly, Review, arrange and organize personnel to participate in the audit of financial statements, audit of settlement reports of completed capital construction investment projects, tax, accounting, and financial consulting services. separate specialized departments, each department has its own auditors in charge of professional management, especially the audit department reports the final settlement of completed capital construction investment projects in addition to having auditors, it is necessary to have additional skills professional management technician.

Secondly, to develop and promulgate regulations on employee recruitment, in which it is necessary to develop basic and necessary criteria on professional experience, soft skills, ethics, and behavioral culture.

Thirdly, Develop regulations, self-training programs and send employees to study to improve professional knowledge, soft skills, teamwork skills and interaction for Auditors, Technicians and Assistants. Annual Auditor

Fourthly, Develop criteria, evaluate and classify in-depth professional qualifications with technicians into different levels, helping to create an audit plan, set up an audit team to directly perform the audit effectively high.

3.2.2. Completing the audience, objectives, content and audit basis Finalization report of investment project Capital construction completed

3.2.2.1. Finalization of audited objects Finalization report of completed capital construction investment project

The audit object should not be limited to the finalization report of the completed capital construction investment project, but need to be expanded. Construction work, Report on payment status and project debt, Completed project settlement report applies in case the project is planned and prepared for investment and is permanently stopped.

3.2.2.2. Perfecting the audit objective of the completed capital construction investment project's final settlement report

In addition to the final goal of confirming information on the final settlement report of completed capital construction projects, before that, the Auditor needs to determine the objective of appraisal of the client's internal control. This is also the objective that should not be missing in the audit of the finalization report of the completed capital construction investment project. Auditors and technicians need to concretize audit objectives in the cases in which the audit report on the final settlement of the completed capital construction investment project, the final settlement report on the construction value of the project. project or completed project settlement report in case the project planning, preparation for investment, project is permanently stopped.

3.2.2.3. Finalize the audit basis for the final settlement report of the completed capital construction investment project

The State should have more specific legal provisions, so that the audit process is conducted at the same time as the project implementation, this will help the investors to control well the volume of arising work and control the project implementation. control specific completed volumes of contractors prior to acceptance and phased payments.

3.2.2.4. Finalize the audit content of the final settlement report of the completed capital construction investment project

In addition to the audit content that audit firms and auditors determine, which usually only includes information and items on the final settlement report of completed capital construction projects, the auditor needs to determine It is clear that the main tasks that need to be performed when auditing the completed capital construction investment project's final settlement

report include: Checking data sources to prepare the completed capital construction investment project's final settlement report; Checking the process, techniques and methods of making settlement reports of completed capital construction investment projects; Carry out audit procedures to assess the reliability of audit results of audit reports of sub-projects, bidding packages, and work items performed by other auditing firms in order to summarize data whether to finalize the whole project.

3.2.3. Completing the organization of the audit process of financial statements of completed capital construction projects

3.2.3.1. Completing the organization of audit planning

The more realistic this plan is, the better the audit results will be. In the stage of planning the audit of the completed capital construction investment project's final settlement report, auditors and technicians of auditing companies need to perform the following procedures:

- *Survey to assess client acceptability, audit contract risk and audit engagement.*

Based on the considerations, the Auditor makes a decision to accept or refuse to perform the audit. If accepting to perform the audit, the auditing company shall prepare an audit contract according to the guidance in Vietnamese auditing standards.

- *Select the audit team and commit to independence*

Auditing companies based on basic information about the project, about the audited customer and based on the number and professional qualifications of auditors and technicians to organize the selection of the appropriate audit team. Coordinate and issue internal documents on the appointment of the audit team to participate in the audit.

- *Find out information about customers and about capital construction investment projects.*

Before performing the audit, the auditor must collect information about the audited unit and project such as: general information about the project; information on the project's financial status; information about the investor organization, the project management board...

- *Learn, evaluate internal control.*

The auditor should use professional judgment to evaluate the Internal Control System at the investor or project management level by interviewing, observing, or documenting the works specifically include: Understanding the control environment; Learn about control activities; Risk assessment and management process; Other relevant information.

- *Preliminary analysis of financial statements of completed capital construction projects*

During the planning stage, the Auditor performs a preliminary analysis procedure for the final settlement report of the completed capital construction investment project as a risk assessment procedure to assist the Construction Auditor audit plan

- *Identify and assess risks of material misstatement*

In order to have a basis for designing and performing audit procedures, the Auditor must identify and evaluate the risks of material misstatement at the capital construction project finalization report level and the fundamental level. citation base. To help identify the types of risks, the author conducts a survey of Auditors and Technicians to consider risks that are considered significant based on specific indicators.

- *Determination of audit materiality*

The determination of materiality in the audit of financial statements of completed capital construction projects is done as follows:

- ✓ Determination of materiality for compliance with construction and investment management regulations.

Materiality includes both qualitative and quantitative factors. When checking compliance with investment management regulations during project implementation, materiality is determined to: For planning purposes; Evaluate the collected evidence and assess the impact of non-

compliance behaviors detected through the audit; Forming an audit opinion and making an audit report on the final settlement report of the completed capital construction investment project.

✓ Determine the materiality of the data of the completed capital construction investment project settlement report.

The auditor must use professional judgment to determine the appropriate selection of criteria, without necessarily selecting the cost of the investment. In the case where only one or several parts of the completed capital construction investment project's final settlement report are audited, the audited portion may be the appropriate criterion to determine the overall materiality.

- *Determining criteria used to estimate overall materiality:* Auditors often base their determination on the items in this report, including the following factors: Source of investment capital; Investment costs; Investment costs are not included in the value of the property; Value of assets formed through investment; Outstanding debts, materials and equipment.

- *Determination of selected criteria value:* Criteria values determined during the audit planning stage are usually based on pre-audit data. In case investment costs are selected as a factor used to estimate materiality, the value of this criterion shall be taken on the final settlement report of completed capital construction investment projects provided by the compiling unit to the Auditor. accountant.

- *Determining the ratio to determine the overall materiality:* According to the practice of auditing financial statements and according to the results of the survey of Auditors and Technicians when selecting the criterion as Investment capital, the ratio the maximum rate is 0.5%; Criteria are the value of assets formed through investment and the implementation cost of investment, the ratio of determining the overall materiality of each criterion is not more than 1%. Therefore, the percentage of determining the overall materiality for the final settlement report of completed capital construction investment projects is not more than 1%.

+ *Determine the overall materiality level and the materiality level for specific factors on the finalization report of the completed capital construction investment project.*

- Determination of materiality for the overall financial statement of completed capital construction investment projects:

Overall materiality for financial statements of completed capital construction projects	=	Percentage (%) determining overall materiality	x	Value of selection criteria to determine overall materiality
---	---	--	---	--

After determining overall materiality, the Auditor should determine materiality for the item:

- Identify key items:

Depending on the specific circumstances, there may be items and disclosures with errors lower than the overall materiality of the completed capital construction project finalization report but still affect The auditor must determine the materiality or materiality levels that apply to each of these items and disclosures. Auditors often consider the criteria on the final settlement report of completed capital construction investment projects.

+ *Determination of performance materiality:* Determination of performance materiality is based on the overall materiality of the final settlement report of completed capital construction investment projects and the corresponding percentage in the determination of materiality. audited by the Auditor in accordance with the regulations of each auditing company. The materiality level will determine the content, schedule, and scope of the audit procedures that need to be performed.

+ *Determine the threshold of insignificant/negligible error*

The threshold for insignificant error in the audit of the final statement of the completed capital construction investment project, determined based on the survey results of auditors and technicians, is not more than 3% of the material performance level, however Auditing Firms may apply or introduce other levels according to their policies.

+ *Reassess materiality during the audit*: Where the auditor considers it necessary to redefine materiality and the re-determined materiality is lower than planned materiality, that is, the extent and the volume of audit procedures to be performed will be larger than the initial design.

Apply materiality when forming an audit opinion:

The auditor must give an unqualified opinion when the financial statement of a capital construction investment project is completed without any material errors or is not limited in its scope of material influence on the financial statement of the project. the capital construction investment project is completed. In case, the auditor gives an unqualified opinion, and at the same time, during the audit process, there are still errors or limitations in scope but do not materially affect the report. In the final settlement report of a completed capital construction investment project (errors or their effects, aggregated, less than materiality), the auditors shall give an acceptable opinion on the audit report. all data and explanations in the final settlement report of the completed capital construction investment project.

- *Overall processing and design of audit procedures.*

Overall treatment for risks of material misstatement at the level of finalization report of completed capital construction projects requires the Auditor to design overall remedies for The risks of material misstatement have been assessed at the level of finalization reports of completed capital construction investment projects: Test of controls; Basic test.

- *Determine the sampling method, sample size.*

At this stage, the Auditor must clearly determine how to select test elements to collect audit evidence when conducting substantive testing for each major item on the final settlement report of the construction investment project. Basic construction completed through selection of one of the methods: Select all elements (100% inspection); Selection of special elements, Audit sampling.

- *Compilation of audit plan*

On the basis of the procedures performed above, the Auditor summarizes the main contents performed in the following steps: Find out information about customers and capital construction investment projects; Learn, evaluate Internal Control; Preliminary analysis of financial statements of completed capital construction investment projects; Determine the materiality of the components during the audit planning phase and document the overall audit plan in the Audit Record.

3.2.3.2. Completing the audit implementation phase

The content and order of the audit shall comply with the provisions of the Auditing Process of the completed capital construction investment project finalization report, including: Auditing of legal documents; Auditing the investment capital of the project: Auditing investment costs; Audit of investment costs not included in the value of assets: Audit to determine the value of assets; Auditing of outstanding debts, materials and equipment; To consider the implementation of conclusions of inspection and examination agencies and the State Audit; results of legal authorities in case inspection and examination agencies, the State Audit of Vietnam carry out inspection and examination of the project.

- *Make a summary table of audit results of items*

- *Review of risk assessment results*: Auditors and technicians must consider the appropriateness of the risk assessment of material misstatement at the assertion level.

- *Material modification in the audit process*: During the performance of audit procedures, when circumstances arise, new information is added or the performance of additional audit procedures changes understanding of the Auditor about the audited unit or project, materiality for the overall financial statement of the completed capital construction investment project and materiality for items to be noted that may need to be considered must be modified.

- *Evaluation of errors detected in the audit process*

During this phase, the auditor shall review the misstatements discovered during the audit to: The auditor shall determine the need for modification of the audit plan if the nature of the misstatements has detected and the circumstances in which they arise indicate that other misstatements may exist that, in aggregate, could be material.

- *Evaluation of detected errors and the impact of detection errors*

- When assessing materiality of misstatement, the auditor should consider the qualitative factors of misstatement in the particular circumstances of the audit before considering the quantitative factor (value of misstatement). The auditor shall examine the nature and cause of any deviations or misstatements detected and evaluate the likely impact of such deviations or misstatements on the purposes of the audit procedures and the other part of the audit.

- Summary of audit results:

+ *Summary of detected errors*: All errors detected during the audit must be synthesized by the Auditor, except for those insignificant errors that, when aggregated, are not material as a basis for forming a report. into an audit opinion. In order to aggregate misstatements, the Auditor must determine whether the misstatements are material, individually or in aggregate.

+ *Summarize audit results by item*: Auditors and technicians make a summary table of general audit results of the entire work or project, the total number of differences on the Summary Table must be the total number of all all the differences between the final settlement report and the audit results for each content of the audit practice sections.

- *Summarize the findings during the audit and the overall conclusion about the audit.*

In this section, the Auditor should summarize the audit results for each material item and present the combined results according to the following contents, including the audit conclusion for the item, the material part, the remaining issues. exist that need to be resolved, discuss with the Auditor in charge of the audit, members of the Board of Directors and the client. After performing the above tasks, in this part the auditors and technicians still have to perform the contents related to the data of the final settlement report of the completed capital construction investment project such as: summarizing, checking the balance of audit data; Summarize the content to be adjusted between the audited audit reports.

3.2.3.3. *The stage of synthesis, conclusion and report preparation*

- Approve the release of audit report and management letter (if any)

After completing the above steps, the Auditor prepares a draft of the Audit Report on the final settlement report of the completed capital construction investment project. After completing the draft audit report and waiting for its release, the Auditor needs to complete the procedures before issuing the final audit report.

- *Review the quality control of the independent member*

The independent member's quality control review step is performed prior to the issuance of the final audit report by a member of the Board of Directors who is not in charge of the audit, or an independent expert inside or outside the audit firm. independent from the audit team and the audited entity.

- *Review of levels*

The objective of this review is to consider: the financial statement of the completed capital construction investment project no longer exists material errors that have not yet been discovered; The audit process is carried out in accordance with the audit method, the quality control policy of the audit firm as well as the governing Auditing Standards.

- *Independent audit report on finalization report of completed capital construction investment project*

The audit report must be made in official writing, in which the main contents of the audit report on the final settlement report of the completed capital construction investment project must comply with the provisions of auditing standards. Vietnam number 1000.

- *Mail management*

Auditors must communicate in writing in a timely manner in the form of Letter of Recommendation, Letter of Management with the Investor. The content of the Management Letter focuses on the findings, shortcomings and weaknesses in Internal Control affecting the compliance with regulations on investment management and the truthfulness and reasonableness of the project settlement reports. capital construction investment completed. In addition, providing advice on overcoming limitations, weaknesses and serious deficiencies in Internal Control.

3.2.4. Completing the organization of quality control activities and audits of financial statements of completed capital construction projects

3.2.4.1. Improve quality control from within the business

Firstly: Auditors and auditing firms need to further raise awareness of the importance of quality review of audit activities in general, quality control activities of investment projects. completed in particular for all members of the company.

Secondly: Further strengthen the implementation of Quality Control procedures at the individual audit level to ensure that the audit complies with relevant professional standards, laws and regulations as well as to ensure that the audit report on the final settlement report of the completed capital construction investment project is issued in accordance with the specific context of the audit.

3.2.4.2. Improve quality control from outside the business

In fact, the quality control from the outside of the Ministry of Finance, the Vietnam Association of Certified Public Accountants for the audit of the finalization report of the completed capital construction investment project has not been focused. such as the audit of financial statements. Therefore, external control agencies need to strengthen inspection and supervision of audit activities of financial statements of completed capital construction investment projects of independent auditing companies.

3.3. CONDITIONS FOR IMPLEMENTATION OF SOLUTIONS TO COMPLETE ORGANIZATION OF AUDIT FINALING RESPONSIBILITIES COMPLETE INDEPENDENT AUDIT COMPANIES IN VIETNAM

3.3.1. On the side of state management agencies

Firstly: Completing the legal framework on accounting for the head unit, on independent auditing of financial statements of completed investment projects, and auditing practice of auditors.

Secondly: Completing the legal framework on basic construction activities, managing construction investment projects and improving the capacity of managers to enhance the quality of law enforcement organizations on capital construction and project investment.

Thirdly: Strengthen inspection, supervision and strictly handle violations related to audit activities in general and audit of financial statements of completed capital construction investment projects in particular.

3.3.2. To the professional association

VACPA needs to strictly manage and control the list of Auditors as well as independent auditing firms that are qualified to practice; inspect the compliance with laws on accounting, auditing and auditing standards; control the implementation and compliance with professional ethics of the Auditors.

3.3.3. On the side of independent auditing firms

Firstly: It is necessary to strengthen the quality control of the audit of financial statements of completed capital construction investment projects.

Secondly: Continuously improve professional capacity and management capacity of audit of financial statements of completed capital construction investment projects.

Thirdly: The content and audit methods presented above are not all and rigid in terms of order, but they are applied flexibly and conducted according to specific conditions, each public project. processes with different characteristics of the project's internal control system.

Fourthly: In order to comprehensively audit and have the most correct conclusions about the project, the work must be carried out as soon as there is a decision to allow the implementation of the project (with basic construction).

CONCLUSION CHAPTER 3

In the world, each country is different the implementation of investment in a project is always different, so there is no standard for auditing the final statement of completed capital construction investment projects. Auditing of financial statements of completed capital construction projects is identified as a special case of audit of financial statements. Therefore, when applying the financial statement audit organization to audit completed capital construction investment projects, there must be necessary amendments and supplements to suit the field of construction investment project audit basic construction. Therefore, chapter 3 has been based on the theoretical basis to creatively apply to the specific conditions of the field of investment in capital construction projects in our country to form the principles, requirements, the purpose and content of completing the audit organization of the financial statement of the completed capital construction investment project is appropriate. These are the initial theories and contributions to strengthening the audit of the final settlement report of the completed capital construction investment project. It is hoped that these contributions will contribute to promoting the professional development of the national audit profession in general and the audit of financial statements of completed capital construction investment projects in our country in particular.

GENERAL CONCLUSION

Independent audit the final settlement report of completed capital construction investment projects plays an increasingly important role in today's economy. Reality Auditing the financial statements of completed capital construction projects performed by independent auditing firms in Vietnam still have many limitations.

Therefore, the topic "Improving the organization of the audit of the final settlement report of the completed capital construction investment project performed by the independent auditors of Vietnam" is necessary to study and the research results of the thesis. The project has theoretical and practical significance because through research, the topic has systematized the following basic contents: The thesis has systematized theoretical issues related to construction investment projects capital construction and audit the final settlement report of completed capital construction investment project. The thesis has researched and surveyed the current status of auditing financial statements of construction investment projects completed at independent auditing companies in Vietnam and evaluated the actual application including the achieved results. The benefits, limitations and causes of this limitation. The correct assessment of the actual status of the audit of the finalization report of the completed capital construction investment project by independent auditing firms in Vietnam is the basis basis and orientation for complete solutions.

The author is always serious and makes efforts in the process of studying and researching, but the thesis still cannot avoid shortcomings. The author is looking forward to receiving contributions and help from scientists, auditors in independent auditing companies to improve and further improve the quality of the thesis, bring the thesis solutions to the problem effectively applied in practice.

**LIST OF AUTHORIZED WORKS PUBLISHED
RELATED TO THE THESIS**

1. Nghiem Xuan Dung (2015), *Completing the audit process Project settlement report in independent audit*, Financial Inspection Journal No. 157, July.
2. Nghiem Xuan Dung (2015), *Inadequacies of Circular 200 and recommendations*, Journal of Accounting & Auditing No. 8 (143)
3. Nghiem Xuan Dung (2015), *Financial policy for Vietnam's real estate market today*, Research Journal of Finance and Accounting No. 04 (141).
4. Nghiem Xuan Dung (2020), *Finalizing the final settlement report of construction investment projects from the audited content*, State Tax Journal No. 21 (796), May.
5. Nghiem Xuan Dung (2020), *Characteristics of capital construction investment projects affecting the organization of audit reports of completed capital construction investment projects*, Asian Economic Review - Pacific thematic issue of April.