

TAX AUDITING

Degree in Taxation

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Code: 17302

Main Scientific Area: Auditing

Lecturer: Maria João Brandão Fernandes

Language of Instruction: Portuguese

Regime: S2

Contact Hours: 45h Total Workload: 67h

ECTS: 4,0

Objectives

The Tax Audit curricular unit to be held on the 3rd year of the Taxation course is deeply related to several subjects, such as Law, Accounting, Auditing and, above all, Taxation. This aggregation of different types of knowledge will be dealt with in this curricular unit, assessing which decisions and behaviors could have an impact on taxes and on what should be reported to tax authorities.

All teaching subjects will have a theoretical component, which will be complemented by practical approaches, analyzing cases studies as often as possible.

The main goals of this curricular unit are:

- a) Implementing theoretical knowledge obtained in other curricular units;
- b) Adopting audit procedures to assess compliance with tax legislation regarding reporting obligations;
- c) Instill students with a spirit of truth and accuracy while reporting information;

These goals will be achieved by implementing the detailed program mentioned below.

Learning Outcomes

This is undoubtedly the biggest challenge for the professionals in these areas.

Thus, it is intended that students approved course to be able to identify, using audit techniques, situations of:

1. Material errors in accounting that affect the accounting income and therefore the tax result;
2. Errors in tax returns (tax clearance in extra accounting);
3. Transactions recorded in the accounts but omitted in tax returns;
4. Transactions omitted in accounting that affect the accounting income and therefore the tax.

Course Contents

1. Audit framework
 - 1.1. Financial Audit vs Tax Audit
 - 1.1.1. The Audit in the context of tax inspection
 - 1.1.2. Auditing objectives
 - 1.1.3. Scope and thoroughness of an audit work
 - 1.1.4. Auditing phases
2. Auditing the conversion cycle
 - 2.1. Main aspects and goals of the conversion cycle
 - 2.2. Accounting and tax framework
 - 2.3. Accounting and tax information - specific risks identification
 - 2.4. Internal Control - assessing control risk
 - 2.5. Substantive tests of the conversion cycle
3. Auditing the expenditure cycle
 - 3.1. Main aspects and goals of the expenditure cycle
 - 3.2. Accounting and tax framework
 - 3.3. Accounting and tax information - specific risks identification
 - 3.4. Internal Control - assessing control risk
 - 3.5. Substantive tests of the conversion cycle
4. Auditing the revenue cycle
 - 4.1. Main aspects and goals of the revenue cycle
 - 4.2. Accounting and tax framework
 - 4.3. Accounting and tax information - specific risks identification
 - 4.4. Internal Control - assessing control risk
 - 4.5. Substantive tests of the revenue cycle
5. Auditing the financing and investing cycle
 - 5.1. Main aspects and goals of the financing and investing cycle

5.2.Accounting and tax framework

5.3.Accounting and tax information - specific risks identification

5.4.Internal Control - assessing control risk

5.5.Substantive tests of the financing and investing cycle

6. Auditing the equity area

6.1.Main aspects and goals of the equity area

6.2.Accounting and tax framework

6.3.Accounting and tax information - specific risks identification

6.4.Internal Control - assessing control risk

6.5.Substantive tests of the equity area

7. Auditing financial statements and tax reporting

7.1.Auditing VAT forms;

7.2.Auditing corporate tax form "Modelo 22";

7.3.Auditing corporate tax form "Declaração de Informação Empresarial Simplificada (IES)".

8. The authorities' final tax report.

Recommended Bibliography

BAPTISTA DA COSTA, Carlos. (2023), Auditoria Financeira - teoria e prática, Editora Reis dos Livros, 13.ªEdição.

Almeida, Bruno José Machado (2022), Manual de Auditoria Financeira - Uma análise integrada baseada no risco, Escolar Editora

Código do Imposto sobre o Rendimento das Pessoas Colectivas

Código do Imposto sobre o Rendimento das Pessoas Singulares;

Código do Imposto sobre o Valor Acrescentado;

Código do Imposto do Selo

Código das Sociedades Comerciais

Estatuto dos Benefícios fiscais

Regime de bens em circulação objecto de transações entre sujeitos passivos de IVA

Regime Jurídico das Infrações Tributária

Regime do IVA nas Transacções Intracomunitárias

Sistema de Normalização Contabilística

Learning and Teaching Methods

In order to comply with the first goal: "implementing theoretical knowledge obtained in another curricular units, such as Taxation, Law and Auditing;", we will present in the program an approach by area (item 1 to 6), and, within each area, a subchapter, called "Accounting and tax framework" (sub items 2.2, 3.2, 4.2, 5.2 and 6.2), in which are required the theoretical knowledge achieved in another curricular units, mainly Taxation, Law and Auditing, which are fundamental for the practice of Tax Auditing.

Regarding the second goal: "Adopting audit procedures to assess compliance with tax legislation regarding reporting obligations, especially with calculation of the amount of taxes to be paid", we will implement several approaches on its prosecution, in particular the procedures related to the items 7.1 Auditing VAT forms; 7.2 Auditing corporate tax form "Modelo 22" and 7.3 Auditing corporate tax form "Declaração de informação empresarial simplificada (IES).

About the third goal: "Instill students with a spirit of truth and accuracy while reporting information, and alerting to mistakes and false misstatements consequences", it will be present in each segment of the program, having as guideline the ethic and legality principles, with special emphasis on item 8 - The authorities final tax report.

Assessment Methods

The evaluation of the Curricular Unit consists of the accomplishment of a report, to be delivered until the, with a weight of 50% and two tests to be carried out in the semester, with a weight of 50%. The minimum grade in the test will be 8. Students with a weighted classification in these three components, equal to or greater than 9.5, will obtain approval from the UC.