

# AC6541: AUDITING

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## Effective Term

Semester A 2025/26

## Part I Course Overview

### Course Title

Auditing

### Subject Code

AC - Accountancy

### Course Number

6541

### Academic Unit

Accountancy (AC)

### College/School

College of Business (CB)

### Course Duration

One Semester

### Credit Units

3

### Level

P5, P6 - Postgraduate Degree

### Medium of Instruction

English

### Medium of Assessment

English

### Prerequisites

AC5512 Financial Reporting; or AC5602 Corporate Accounting II

### Precursors

Nil

### Equivalent Courses

Nil

### Exclusive Courses

Nil

## Part II Course Details

### Abstract

This course aims to introduce students to the audit practice environment and foundations for audit judgement as specified below:

- provide knowledge of the regulatory, legal and reporting framework of auditing in Hong Kong
- provide knowledge of basic principles, objectives and ethical requirements of auditing
- develop analytical ability to identify risks in auditing
- develop practical skills to conduct an audit, individually and with a team
- develop communication skills for effective communication both in the written and verbal forms.

### Course Intended Learning Outcomes (CILOs)

CILOs		Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Describe the auditing profession, the regulatory, legal and reporting framework of auditing.			x	
2	Recognize the basic principles, objectives and ethical requirements of audit and assurance services.		x	x	
3	Identify the audit process from client acceptance, design of audit procedures and express an appropriate audit conclusion based on the audit evidence obtained.		x	x	
4	Assess risks and threats to an audit of financial statements through analytical and critical thinking.		x	x	
5	Work effectively in a team while influencing others to achieve results, and communicate effectively in writing and verbally.		x	x	

#### A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

#### A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

#### A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

### Learning and Teaching Activities (LTAs)

LTAs	Brief Description	CILO No.	Hours/week (if applicable)	
1	Lecture	Students are required to explain key concepts, such as the regulatory, legal and reporting framework for auditing.	1, 2, 3, 4	3hrs/wk
2	Analysis report*	Students are required to work in a group to diagnose some auditing related issues.	1, 2, 3, 4, 5	

3	Group Project* (presentation required)	Students are required to take on the roles of auditing teams and analyze practical questions regarding a company's real financial reporting process, draw conclusions and make suggestions.	1, 2, 3, 4, 5	
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### Additional Information for LTAs

\*DEC LTA element.

### Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks ("- " for nil entry)	Allow Use of GenAI?
1	Class participation:  Students need to participate actively in in-class activities such as case study, group discussion, and exercises designed to facilitate their understanding of knowledge taught in class.	1, 2, 3, 4, 5	10	Students are permitted to use Generative AI tools for information searching; however, they are strictly prohibited from using AI to write any part of their assessment reports.	Yes
2	Group case presentation: # Students will work in groups, prepare and deliver presentations on selected auditing cases.	1, 2, 3, 4, 5	10	Students are permitted to use Generative AI tools for information searching; however, they are strictly prohibited from using AI to write any part of their assessment reports.	Yes
3	Group project written (analysis) report: # Students will work in groups, prepare a written report to diagnose some issues on selected auditing cases.	1, 2, 3, 4, 5	10	Students are permitted to use Generative AI tools for information searching; however, they are strictly prohibited from using AI to write any part of their assessment reports.	Yes

4	2-hour mid-term test: Students will be assessed via a closed-book exam to test their understanding of concepts learned in class, textbooks and their ability to apply subject-related knowledge.	1, 2, 3, 4	20	-	No
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**Continuous Assessment (%)**

50

**Examination (%)**

50

**Examination Duration (Hours)**

3

**Additional Information for ATs**

#DEC AT element.

Final examination:

Students will be assessed via an open-book exam their understanding of concepts learned in class, textbooks and their ability to apply subject-related knowledge.

Students are required to pass both coursework and examination components to guarantee to pass the course. Failing either component may lead to failure in the course. The passing mark is generally 50.

**Assessment Rubrics (AR)****Assessment Task**

Class participation (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

**Criterion**

Demonstrate an initiative and interactions in raising sensible questions and giving insightful discussion and presentation of issues and cases relating to the course topics in class.

**Excellent**

(A+, A, A-) High

**Good**

(B+, B, B-) Significant

**Fair**

(C+, C, C-) Moderate

**Marginal**

(D) Basic

**Failure**

(F) Not even reaching marginal levels

**Assessment Task**

Group case presentation (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

**Criterion**

Demonstrate a grasp of the regulatory, legal and reporting framework for auditing. Demonstrate application of principles and ethical requirements in an audit context. Design comprehensive audit tests of transactions and account balances and formulate appropriate audit reports. Demonstrate comprehensive assessment of the risk of material misstatements in the financial statements. Demonstrate good group cooperation skills. Demonstrate good communication skills verbally.

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**Assessment Task**

Group project written (analysis) report (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

**Criterion**

Demonstrate a grasp of the regulatory, legal and reporting framework for auditing. Demonstrate application of principles and ethical requirements in an audit context. Design comprehensive audit tests of transactions and account balances and formulate appropriate audit reports. Demonstrate comprehensive assessment of the risk of material misstatements in the financial statements. Demonstrate good group cooperation skills. Demonstrate good communication skills in writing.

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**Failure**

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**Assessment Task**

2-hour midterm test (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

**Criterion**

Demonstrate a grasp of the regulatory, legal and reporting framework for auditing. Demonstrate application of principles and ethical requirements in an audit context. Application of audit tests and formulate appropriate audit reports. Demonstrate comprehensive assessment of the risk of material misstatements in the financial statements.

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**Assessment Task**

Final examination (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

**Criterion**

Demonstrate a grasp of the regulatory, legal and reporting framework for auditing, application of fundamental principles and ethical requirements in an audit context. Design comprehensive audit tests of transactions and account balances and formulate appropriate audit reports. Demonstrate comprehensive assessment of the risk of material misstatements in the financial statements.

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**Assessment Task**

Class participation (for students admitted from Semester A 2022/23 to Summer Term 2024)

**Criterion**

Demonstrate an initiative and interactions in raising sensible questions and giving insightful discussion and presentation of issues and cases relating to the course topics in class.

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**Marginal**

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**Failure**

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**Assessment Task**

Group case presentation (for students admitted from Semester A 2022/23 to Summer Term 2024)

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**Assessment Task**

Group project written (analysis) report (for students admitted from Semester A 2022/23 to Summer Term 2024)

**Criterion**

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## **Part III Other Information**

### **Keyword Syllabus**

Audit objectives, Auditing Standards; Audit Evidence; Audit Planning; Internal Control; Risks Assessment; Tests of Controls; Substantive Procedures; Audit Report; Ethics for Professional Accountants; Sustainability

### **Reading List**

#### **Compulsory Readings**

<b>Title</b>	
1	Aasmund Eilifsen Messier Jr., Glover & Prawitt. Auditing & Assurance Services. McGraw-Hill Education. (Latest International Edition)

**Additional Readings**

<b>Title</b>	
1	New Companies Ordinance (Cap. 622)
2	Hong Kong Institute of Certified Public Accountants (i) Code of Ethics for Professional Accountants, and (ii) Hong Kong Standards on Auditing (HKSA)