

**City University of Hong Kong
Course Syllabus**

**offered by Department of Accountancy
with effect from Semester A 2021/22**

Part I Course Overview

Course Title: Auditing

Course Code: AC4342

Course Duration: 1 semester

Credit Units: 3

Level: B4

Arts and Humanities

Proposed Area: Study of Societies, Social and Business Organisations

(for GE courses only)

Science and Technology

Medium of Instruction: English

Medium of Assessment: English

Prerequisites: AC3202 Corporate Accounting I; and
AC4301 Corporate Accounting II
(Course Code and Title)

Precursors: Nil
(Course Code and Title)

Equivalent Courses: Nil
(Course Code and Title)

Exclusive Courses: AC4341 Principles of Auditing
(Course Code and Title)

Part II Course Details

1. Abstract

(A 150-word description about the course)

The primary objective of this course is to provide students with knowledge of the regulatory, legal and reporting framework of auditing in Hong Kong as well as knowledge of basic principles, objectives and ethical requirements of auditing. Specifically, this course aims to develop students' analytical ability to identify audit risks and practical skills to conduct an audit individually and with a team. In addition, the course also aims to develop students' communication skills for effective communication both in the written and oral forms.

2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

| No. | CILOs [#] | Weighting* (if applicable) | Discovery-enriched curriculum related learning outcomes (please tick where appropriate) | | |
|-----|--|-------------------------------|---|----|----|
| | | | A1 | A2 | A3 |
| 1. | Describe the auditing profession, the regulatory, legal and reporting framework of auditing from an international perspective. | | | ✓ | |
| 2. | Identify the basic principles, objectives and ethical requirements of audit and assurance services. | | ✓ | ✓ | |
| 3. | Characterize the audit process from client acceptance, through the design of audit procedures to collect evidence and express an appropriate audit opinion based on the audit evidence obtained. | | ✓ | ✓ | |
| 4. | Assess the risk of material misstatements in the financial statements through analytical and critical thinking. | | ✓ | ✓ | |
| 5. | Work effectively in a team while influencing others to achieve results, and communicate effectively in writing and speaking. | | ✓ | ✓ | |

* If weighting is assigned to CILOs, they should add up to 100%.

100%

[#] Please specify the alignment of CILOs to the Gateway Education Programme Intended Learning outcomes (PILOs) in Section A of Annex.

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 self-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.

3. Teaching and Learning Activities (TLAs)

(TLAs designed to facilitate students' achievement of the CILOs.)

| TLA | Brief Description | CILO No. | | | | | | Hours/week (if applicable) |
|---------------------------------------|--|----------|---|---|---|---|--|-------------------------------|
| | | 1 | 2 | 3 | 4 | 5 | | |
| Lecture [#] | Explain key concepts of auditing, and the related legal and professional frameworks in Hong Kong, the audit process starting from client acceptance, to the design of audit procedures to gather evidence to express an appropriate audit opinion based on the audit evidence. | √ | √ | √ | √ | | | |
| In-class activities [#] | Requires students to apply the knowledge of auditing principles and procedures to different situations. | √ | √ | √ | √ | √ | | |
| Case analysis and report [#] | Requires students to analyse and resolve issues of the audit cases and submit written reports. | √ | √ | √ | √ | √ | | |

[#]DEC TLA element

4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

| Assessment Tasks/Activities | CILO No. | | | | | Weighting * | Remarks |
|--|----------|---|---|---|---|----------------|---------|
| | 1 | 2 | 3 | 4 | 5 | | |
| Continuous Assessment: 50% | | | | | | | |
| <u>Class participation:</u> 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. | √ | √ | √ | √ | √ | 10% | |
| <u>Group project #:</u> Students will work in groups, prepare a class deliverable diagnosing issues on selected auditing cases or current development of the profession. | √ | √ | √ | √ | √ | 20% | |
| <u>Midterm examination</u> Students understanding of concepts learned and ability to apply such concepts will be assessed via a closed-book exam. . | √ | √ | √ | √ | | 20% | |
| Examination: 50% (duration: 3 hours) [Open-book examination] | | | | | | | |
| <u>Final examination:</u> Students understanding of concepts learned and ability to apply such concepts will be assessed via an open-book cumulative exam. | √ | √ | √ | √ | | 50% | |
| * The weightings should add up to 100%. | | | | | | 100% | |

#DEC AT element

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.

5. Assessment Rubrics

(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)

| | Assessment Task | Criterion | Excellent (A+, A, A-) | Good (B+, B, B-) | Fair (C+, C, C-) | Marginal (D) | Failure (F) |
|----|---------------------|---|--------------------------|---------------------|---------------------|-----------------|-----------------------------------|
| 1. | Class participation | 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 communication skill in writing and speaking. | High | Significant | Moderate | Basic | Not even reaching marginal levels |
| 2. | Group project | 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. | High | Significant | Moderate | Basic | Not even reaching marginal levels |
| 3. | Midterm examination | 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. Demonstrate good communication skills in writing. | High | Significant | Moderate | Basic | Not even reaching marginal levels |

| | | | | | | | |
|----|-------------------|--|------|-------------|----------|-------|-----------------------------------|
| 4. | Final examination | Understand, plan and execute an audit approach. Capable to evaluate the impact of risks at the overall financial statement and assertion levels; ability to evaluate the control system; ability to design audit tests and formulate an appropriate audit opinion. | High | Significant | Moderate | Basic | Not even reaching marginal levels |
|----|-------------------|--|------|-------------|----------|-------|-----------------------------------|

Part III Other Information (more details can be provided separately in the teaching plan)

1. 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.

2. Reading List

2.1 Compulsory Readings

(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)

| | |
|----|--|
| 1. | Aasmund Eilifsen, Messier Jr., Glover & Prawitt. <i>Auditing & Assurance Services International Edition</i> . McGraw-Hill Education. (3 rd Edition) |
| 2. | Companies Ordinance |
| 3. | <u>Online Resources</u> Hong Kong Institute of Certified Public Accountants <ul style="list-style-type: none">➤ Code of Ethics for Professional Accountants, and➤ Hong Kong Standards on Auditing (HKSA) |

2.2 Additional Readings

(Additional references for students to learn to expand their knowledge about the subject.)