

AC4342: AUDITING

Effective Term

Semester A 2023/24

Part I Course Overview

Course Title

Auditing

Subject Code

AC - Accountancy

Course Number

4342

Academic Unit

Accountancy (AC)

College/School

College of Business (CB)

Course Duration

One Semester

Credit Units

3

Level

B1, B2, B3, B4 - Bachelor's Degree

Medium of Instruction

English

Medium of Assessment

English

Prerequisites

AC3202 Corporate Accounting I; and AC4301 Corporate Accounting II

Precursors

Nil

Equivalent Courses

Nil

Exclusive Courses

AC4341 Principles of Auditing

Part II Course Details

Abstract

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.

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 from an international perspective.		x	
2	Identify the basic principles, objectives and ethical requirements of audit and assurance services.	x	x	
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.	x	x	
4	Assess the risk of material misstatements in the 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 speaking.	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.

Teaching and Learning Activities (TLAs)

TLAs	Brief Description	CILO No.	Hours/week (if applicable)
1	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.	1, 2, 3, 4

2	In-class activities#	Requires students to apply the knowledge of auditing principles and procedures to different situations.	1, 2, 3, 4, 5	
3	Case analysis and report#	Requires students to analyse and resolve issues of the audit cases and submit written reports.	1, 2, 3, 4, 5	

Additional Information for TLAs

DEC TLA element

Assessment Tasks / Activities (ATs)

ATs	CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)
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	
2 Group project # : Students will work in groups, prepare a class deliverable diagnosing issues on selected auditing cases or current development of the profession.	1, 2, 3, 4, 5	20	
3 Individual case analysis report : Students will be assessed via a case analysis report to test their understanding of concepts learned in class, textbooks and their ability to apply subject-related knowledge.	1, 2, 3, 4	20	

Continuous Assessment (%)

50

Examination (%)

50

Examination Duration (Hours)

3

Additional Information for ATs

DEC AT element

Final examination [Open-book examination] :

Students understanding of concepts learned and ability to apply such concepts will be assessed via an open-book cumulative exam.

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

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 project (presentation and written report)

Criterion

Demonstrate a grasp of the regulatory, legal and reporting framework for auditing, application of principles and ethical requirements in an audit context. Demonstrate comprehensive assessment of the risk of material misstatements in the financial statements. Demonstrate good group cooperation skills. Demonstrate good communication skills.

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

Individual case analysis report

Criterion

Demonstrate a grasp of the regulatory, legal and reporting framework for auditing. Demonstrate application of principles and ethical requirements in an audit context. Demonstrate good communication skills in writing.

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

Final examination

Criterion

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.

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

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.

Reading List

Compulsory Readings

Title	
1	Aasmund Eilifsen, Messier Jr., Glover & Prawitt. Auditing & Assurance Services International Edition. McGraw-Hill Education. (3rd Edition)
2	Companies Ordinance
3	Online Resources : Hong Kong Institute of Certified Public Accountants (a) Code of Ethics for Professional Accountants, and (b) Hong Kong Standards on Auditing (HKSA)

Additional Readings

Title	
1	Nil