



## 1. General Information

Course Subject	ACCT
Course Number	3109
Course Title	Auditing
Academic Years	2023-2024
Grading Method	Letter

## 2. Instructors

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Subclasses: 1A,1B,1C,2D,2E

## 4. Course Description

Course Description	This course examines the role of the external auditor on financial statement reporting and the needs for external auditing in the commercial sector. Assurance services other than auditing will also be discussed and examined. By the end of the course, students should be able to gather enough knowledge on the nature of the auditing profession to decide whether they wish to embark on a public accounting career.
Prerequisites	ACCT3103: Intermediate Financial Accounting II

## 5. Course Objectives

1. Provide students with basic concepts of auditing theory, concepts, methodology and practice;
2. Provide students with the capability to apply knowledge in gathering audit evidence and in evaluating the financial statement assertions;
3. Inculcate professional judgment in various auditing and ethical scenarios;
4. Develop students' communication skills.

## 6. Faculty Learning Goals

- Goal 1: Acquisition and internalization of knowledge of the programme discipline
- Goal 2: Application and integration of knowledge
- Goal 3: Inculcating professionalism
- Goal 4: Developing global outlook
- Goal 5: Mastering communication skills
- Goal 6: Cultivating leadership

7. Course Learning Outcomes						
Course Teaching and Learning Activities	Aligned Faculty Learning Goals					
	1	2	3	4	5	6
CLO1. Describe and explain the financial statement auditing process;	✓					
CLO2. Use relevant information for making decisions of client acceptance, risk assessment, as well as extent of audit work;	✓	✓	✓			
CLO3. Apply Code of Ethics for Professional Accountants to resolve an ethical situation;		✓	✓			
CLO4. Demonstrate effective verbal and writing communication skills.		✓			✓	

8. Course Teaching and Learning Activities		
Course Teaching and Learning Activities #	Expected Study Hours	Study Load (% of study)
<p>T&amp;L1. Lectures and in-class exercises, discussions &amp; quizzes</p> <ul style="list-style-type: none"> <li>Lectures: basic knowledge and concept of auditing is presented with PowerPoint slides.</li> <li>In-class exercises: basic concepts and techniques are illustrated using examples. Students work through in-class exercises along with the lecturer. These exercises help students follow the lectures closely and actively.</li> <li>In-class discussions: students are encouraged to raise questions, participate in discussions and share opinions with their peers. These discussions encourage students to think more for certain arguable topics.</li> </ul>	32	26.7
<p>T&amp;L2. Tutorials</p> <ul style="list-style-type: none"> <li>Weekly tutorial assignments: students are required to complete assigned homework before each tutorial session on an individual basis.</li> <li>In-class interactive activities: students are required to interact with the tutorial instructor, and participate in the in-class exercises and discussions actively.</li> </ul>	11	9.2
<p>T&amp;L3. Group presentations and outside-classroom activities</p> <ul style="list-style-type: none"> <li>Group presentations: students are expected to perform at least one group presentation in the semester. Each group should have 4 – 5 students. Students will complete an assigned cases analysis and deliver group presentation in the small group lecture. Once the topic is assigned, each group should work as a team and contribute jointly to discuss and analyze the topic, assign responsibility for the topic and present the topic and manage Q&amp;A session in class.</li> <li>Outside-classroom activities: the lecturer will provide consultation to address students' questions and doubts related to the course on appointment basis.</li> </ul>	30	25
<p>T&amp;L4. Self study</p>	47	39.1
	Total: 120	Total: 100

9. Assessment Methods			
Assessment Methods	Description	Weight %	Aligned Course Learning Outcomes
A1. Assignments and tutorial in-class participation	Students are expected to attend and participate actively in tutorials. Being absent from class will negatively affect students' participation performance. Each student will be appraised by the tutor individually. Written assignments and exercises will be assigned for each topic to assess the students' ability to comprehend the concepts discussed during lectures. Students are also required to attempt selected assignments before commencement of the tutorials. Part of the coursework assessment will be allocated to individual performance in the class discussions of the homework assignments. Participation and assignments are evaluated per student by the tutorial instructor. The objective of the tutorials is to help students digest and apply the knowledge they have learned from the classes.	10%	1,2,3,4
A2. Group Presentation	A number of formal group presentations will be scheduled throughout the semester. Each group should consist of 5 students. Each group of students is required to deliver a formal presentation of 25 minutes on the assigned case, plus Q&A session. The group presentation will be evaluated based on the following five criteria: 1) presentation style; 2) the use of presentation/ visual aids; 3) the contents and organizations; 4) the extent of research and 5) the quality of interaction at the Q&A sessions. A feedback meeting with the lecturer will be scheduled in the subsequent class following each presentation.	15%	2,3,4
A3. In-class Quizzes	Two closed book quizzes consist of multiple-choices questions and short questions will be offered to gauge students' understanding of the auditing principles on a continuous basis and to test students' problem solving skills.	10%	1,2,3
A4. Mid-Term Examination	An closed mid-term examination scheduled on [ TBC ] evening will be used to gauge students' understanding of the auditing principles on a continuous basis and to test students' problem solving skills.	25%	1,2,3
A5. Final Exam	The final examination will be held in the normal exam period. It is a closed book, comprehensive and covers all the chapters on the course syllabus. With the exception of extremely special cases, NO MAKEUP exam will be allowed if students fail to seek ADVANCE permission from the instructor. The objective of the final exam is to further enhance students' understanding of the course and their application of judgmental skills on various auditing issues.	40%	1,2,3,4

Assessment Rubrics	
A1. Assignments and tutorial in-class participation	
A+,A,A-	Extremely well prepared for class discussion, active in sharing views and attended at least

Assessment Rubrics	
	90% of classes. Submitted all homework with 90% accuracy.
B+,B,B-	Partially prepared for class discussion, quite active in sharing views and attended at least 80% of classes. Submitted at least 80% of homework with 80% accuracy.
C+,C,C-	Not well prepared for class discussion, limited active in sharing views and attended at least 70% of classes. Submitted at least 70% of homework with 70% accuracy.
D+,D	Not well prepared for class discussion, no sharing of views and attended at least 60% of classes. Submitted at least 60% of homework with 60% accuracy.
F	Never prepared for class discussion and no sharing of views and experience and attend less than 60% of classes. Submitted less than 60% of homework with less than 60% accuracy.
A2. Group Presentation	
A+,A,A-	Very Good to excellent ratings on some or all five criteria.
B+,B,B-	Good to very good ratings on some or all five criteria.
C+,C,C-	Fair to good ratings on some or all five criteria.
D+,D	Fair ratings on all five criteria.
F	Fail to prepare and present the case.
A3. In-class Quizzes	
A+,A,A-	Scored correctly on more than 90% of the multiple choice questions.
B+,B,B-	Scored correctly on less than 90% of the multiple choice questions.
C+,C,C-	Scored correctly on less than 80% of the multiple choice questions.
D+,D	Scored correctly on less than 70% of the multiple choice questions.
F	Scored correctly on less than 60% of the multiple choice questions.
A4. Mid-Term Examination	
A+,A,A-	Provided accurate solutions to all problems, gave detailed and insightful responses to essay questions and scored correctly on more than 90% of the multiple choice questions.
B+,B,B-	Provided accurate solutions to some problems, gave detailed responses to some essay questions and scored correctly on less than 90% of the multiple choice questions.
C+,C,C-	Provided accurate solutions to a few problems, gave limited responses to some essay questions and scored correctly on less than 80% of the multiple choice questions.
D+,D	Provided inaccurate solutions to a few problems, gave unclear responses to most essay questions and scored correctly on less than 70% of the multiple choice questions.
F	Skipped some problems or provided inaccurate solutions to most problems, gave poor responses to most essay questions and scored correctly on less than 60% of the multiple choice questions.
A5. Final Exam	
A+,A,A-	Provided accurate solutions to all problems, gave detailed and insightful responses to essay questions and scored correctly on more than 90% of the multiple choice questions.
B+,B,B-	Provided accurate solutions to some problems, gave detailed responses to some essay questions and scored correctly on less than 90% of the multiple choice questions.

Assessment Rubrics	
C+,C,C-	Provided accurate solutions to a few problems, gave limited responses to some essay questions and scored correctly on less than 80% of the multiple choice questions.
D+,D	Provided inaccurate solutions to a few problems, gave unclear responses to most essay questions and scored correctly on less than 70% of the multiple choice questions.
F	Skipped some problems or provide inaccurate solutions to most problems, gave poor responses to most essay questions and scored correctly on less than 60% of the multiple choice questions.

10. Course Grade Descriptors	
A+,A,A-	Please indicate
B+,B,B-	Please indicate
C+,C,C-	Please indicate
D+,D	Please indicate
F	Please indicate

11. Course Content and Tentative Teaching Schedule						
Topic/ Session	Date	Time	Content	Readings	Assignments	Other information
1			Quality Auditing: Why It Matters	Ch. 1		Warm-up; briefing of group presentation; group formation
2			The Auditor's Responsibilities Regarding Fraud and Mechanisms to Address Fraud: Regulation and Corporate Governance	Ch. 2		- Introduction of the Code of Ethics for Professional Accountants - A sample practice ethics question in HKICPA QP exam
3			Internal Control over Financial Reporting: Responsibilities of Management and the External Auditor	Ch. 3		Case 1 – PCAOB (Textbook: P1-50)
4			Professional Auditing Standards and the Audit Opinion	Ch. 5		Case 2 –Koss Corporation (Textbook: P2-27)

11. Course Content and Tentative Teaching Schedule						
			Formulation Process			
5			Audit Evidence	Ch. 6		Case 3 – Chesapeake Petroleum and Supply, Inc. (Textbook: P3-39)
6			Planning the Audit: Identifying, Assessing and Responding to the Risks of Material Misstatement	Ch. 7		Case 4 – P5-50 Assertions & P5-51 Deloitte-Brazil
7			Auditing the Revenue and Payment Cycle	Ch. 9, 11		Case 5 – PCAOB, Deloitte & Touche (Textbook: P6-37)
8			Auditing Cash, Accounts Receivable, Sales, Inventory, Accounts Payable and Long-lived Assets	Ch. 9, 10, 11, 12 (Learning Objective 8)		Case 6 – Johnston Wholesaling Case (Fictional company) (Textbook: P7-21)
9			Completing a Quality Audit	Ch. 14		Case 7 – Gateway computers (Textbook: P6-32)
10			Audit Reports on Financial Statement Audits	Ch. 15		Case 8 – PCAOB, SEC, Satyam Computer Services, Ramalinga (Textbook: P10-37)

12. Required/Recommended Readings & Online Materials	
Textbook	1. Karla M. Johnstone, Audrey A. Gramling and Larry E. Rittenberg. 2018. <i>Auditing: A Risk-Based Approach</i> , 11 <sup>th</sup> Edition, Cengage Learning; 2. <i>Code of Ethics for Professional Accountants (COE)</i> issued by the Hong Kong Institute of Certified Public Accountants (HKICPA).

### 13. Means / Processes for Student feedback on Course

✓	Conducting mid-term survey in additional to SETL around the end of the semester
	Online response via Moodle site
	Others

### 14. Course Policy

#### ACADEMIC CONDUCT

Plagiarism and copying of copyright materials are serious offences and may lead to disciplinary actions. Students should read the chapters on “Plagiarism” and “Copyright” in the Undergraduate/Postgraduate Handbook for details. Students are strongly advised to read the booklet entitled “What is Plagiarism” which was distributed to them upon their admission into the University, a copy of which can be found at [www.hku.hk/plagiarism](http://www.hku.hk/plagiarism). A booklet entitled “Plagiarism and How to Avoid it” is also available from the Main Library.

Students are required to attend all the lectures and tutorials on time. In case they cannot attend, they should inform the instructor beforehand.