The Hong Kong University of Science and Technology

DEPARTMENT OF ACCOUNTING

ACCT4510 Auditing
Fall Semester 2024
Course Outline

Instructor: Tommy Leung
Office: Room LSK6005
Phone: 23585388
Email: actommyleung@ust.hk
Office hours: Please email for appointment
Lecture time:

L1	Wednesday	13:30	14:50
L1	Friday	13:30	14:50
L2	Monday	15:00	16:20
L2	Friday	10:30	11:50
L3	Monday	13:30	14:50
L3	Friday	9:00	10:20

TA: Ms Michelle Yi (LSK6066; michelleyi@ust.hk; 2358 7588)
TA office hours: Please email for appointment

Course Description

The main aim of this course is to help students learn the basic principles and practice of auditing. Students will develop a broad understanding of the core auditing functions and integrate these functions to solve problems that auditors commonly face.

Course Intended Learning Outcomes (ILOs)

By the end of this course, you should be able to:

1. Understand the regulatory and professional framework of the auditing profession.
2. Apply auditing theories, standards, and procedures to the practice of auditing, including designing and implementing methodologies for examining, verifying, evaluating and reporting on the financial statements of organizations.
3. Identify an ethical dilemma in a scenario case of auditing, articulate the consequences associated with unethical behavior, and apply professional ethical standards to propose and defend a resolution.
4. From critical judgment, including the ability to analyze the core issues and key assumptions in auditing scenarios and approach problems from alternative perspectives.

Assessments

Assessment Task	Contribution to Overall Course grade (%)	Due Date
Class Participation	10%	NA
Mid-term Test	25%	10:30am - 11:45am, Saturday, 26 October 2024* (Tentative)
Group Project	15%	Friday, 22 November 2024* (Tentative)
Final Exam	50%	To be confirmed

Class Participation (10%)

Students are expected to answer assigned tutorial questions and participate in tutorial discussion sessions, participate in class discussions by raising and answering questions, speak and share your thoughts to facilitate intellectual exchange and raise questions and critically comment on other students' views.

Mid-term Test (25%)

The mid-term test will be held on October 26, 2024 (Sat), 10:30 am to 11:45 am (75 minutes). The format of the midterm test will be announced in due course. The date is subject to change.

Group Project (15%)

There is one group project with details to be announced later. You are required to submit your group project by the deadline (Friday, 22 November 2024). The date is subject to change.

There will be 20% mark deduction as penalty for late submission of project per day.

Mapping of Course ILOs to Assessment Tasks

Assessment Task	Mapped ILOs	Explanation
Mid-term Test	ILO1, ILO 2, ILO 3, ILO 4	This assessment component assesses the abilities of the students to apply auditing theories and procedures to practical scenarios of auditing and the ability to critically analyze and synthesize auditing problems and issues from different perspectives.
Group Project	ILO1, ILO 2, ILO 3, ILO 4	This assessment component assesses the abilities of the students to apply auditing theories and procedures to practical scenarios of auditing and the ability to critically analyze and synthesize auditing problems and issues from different perspectives.
Final Exam	ILO2, ILO 3, ILO 4	This assessment component assesses the abilities of the students to apply auditing theories and procedures to practical scenarios of auditing and the ability to critically analyze and synthesize auditing problems and issues from different perspectives.

Student Rubrics

	Excellent	Good	Satisfactory	Marginal	Fail
Group project	- demonstrate an excellent group project showing an excellent level of synthesis and evaluation with clear signs of originality, creativity and insight in applying knowledge; - demonstrate a strong and comprehensive understanding of all relevant knowledge; - demonstrate evidence of comprehensive data and extended readings to formulate a strong, coherent and logical conclusion; - record citation fully and accurately and in proper citation format; and - demonstrate an excellent level of presentation skills to present information clearly, effectively and logically.	- demonstrate a good group project showing a good level of synthesis and evaluation with signs of originality, creativity and insight in applying knowledge; - demonstrate a good understanding of all relevant knowledge; - demonstrate evidence of sufficient data and relevant readings to formulate a coherent and logical conclusion; - record citation accurately for the most part and in proper citation format; and - demonstrate a good level of presentation skills to present information clearly, effectively and logically.	- demonstrate a satisfactory group project showing a satisfactory level of synthesis and evaluation but weak in originality, creativity and insight in applying knowledge; - demonstrate an adequate understanding of all relevant knowledge; - demonstrate evidence of some data and relevant readings to formulate a coherent and logical conclusion; - record citation accurately for the most part with occasionally improper citation format; and - demonstrate a satisfactory level of presentation skills and to present information clearly, effectively and logically.	- demonstrate a marginally satisfactory group project showing a low level of synthesis and evaluation with limited signs of originality, creativity and insight in applying knowledge; - demonstrate a minimum understanding of all relevant knowledge; - demonstrate evidence of little and partially relevant data and readings to support conclusion; - record citation accurately for the most part with improper citation format; and - demonstrate a marginally satisfactory level of presentation skills and collaboration between members to present information clearly, effectively and logically.	- demonstrate a poorly written group project showing limited synthesis and evaluation with no sign of originality, creativity and insight in applying knowledge; - demonstrate a poor understanding of all relevant knowledge; - evidence of insufficient relevant data and readings to support conclusion; - plagiarism; and - demonstrate a poorly organized presentation

Student Learning Resources

Required textbook

Auditing & Assurance Services, (international ed.), 3rd Edition, by Eilifsen, A. Messier, W.F., Glover, S.M., & Prawitt, D.F: Berkshire, UK: McGraw-Hill

Reference book:

Lau, P.T.Y. and Lam, N.C.Y. (2021). *Auditing and Assurance in Hong Kong* (6th ed.). Hong Kong: Pilot Publishing

Other resources:

HKICPA - Auditing and Assurance Standards:

http://www.hkicpa.org.hk/en/Standards-setting/Standards/Members-Handbook-and-Due-Process/HandBook/Volume-III--Auditing-and-Assurance-Standards/Index

Policy on Absences from Assessments (Mid-term test and final exam)

Any student who needs to be absent from the mid-term test or final exam must contact the instructor and receive approval ON OR BEFORE THE DAY OF THE ASSESSMENT. You will need to provide a valid reason with supporting documents. Generally, HOSPITALIZATION is the only valid reason. Usual sickness like catching a cold, attending job interview or taking part in sports or other competition is not. If your absence is approved, you will be subject to a makeup exam. Otherwise, you will simply receive a zero mark for the missed assessment.

If you are absent from the mid-term test, its weight will be loaded onto the final exam. That is, the final exam will count for 75% of your final grade.

Communication and Feedback

Assessment marks for individual tasks will be communicated via Canas within two weeks of submission. Feedback on assignments will include strengths and areas of improvement. Students who have further questions about the feedback including marks could consult the course instructor by appointment.

Course AI Policy

The use of Generative AI in project is permitted with proper acknowledgement. It may be used to assist in brainstorming or drafting, for example. Students need to clearly indicate the parts of the project and the extent that has required the assistance of AI.

Academic Integrity

Students are expected to adhere to the university's academic integrity policy. Students are expected to uphold HKUST's Academic Honor Code and to maintain the highest standards of academic integrity. The University has zero tolerance of academic misconduct. Please refer to [Academic Integrity | HKUST – Academic Registry](#) for the University's definition of plagiarism and ways to avoid cheating and plagiarism.

Topics Outline (relevant Textbook chapters)

Chapter 1 Introduction to Financial Statement Auditing
Chapter 19 Professional Ethics, Independence and Quality Control
Chapter 2 The Financial Statement Auditing Environment
Chapter 3 Audit Planning, types of audit tests and materiality
Chapter 4 Risk assessment
Chapter 6 Internal Control in Financial Reporting
Chapter 7 Auditing Internal Control over Financial Reporting
Chapter 5 Audit Evidence and Audit Documentation
Chapter 17 Completing the Engagement
Chapter 18 Reports on Audited Financial Statements

Note: The above is subject to change. For example, some parts of a chapter may be omitted.