

Subject Description Form

Subject Code	AF4228
Subject Title	Auditing and Assurance
Credit Value	3
Level	4
Normal Duration	1-semester
Pre-requisite / Co-requisite/ Exclusion	Pre-requisites: Intermediate Accounting 1 (AF3110) and Introduction to Business Law (AF2504)
Role and Purposes	The subject contributes to the achievement of the BBA (Hons) Programme Outcomes by enabling students to <u>have professional skills and knowledge in auditing and assurance</u> (Outcome 11), <u>communicate effectively in English</u> (Outcome 1), and <u>identify and resolve ethical issues as they arise generally and in the business setting of auditing</u> (Outcome 4).
Subject Learning Outcomes	Upon completion of the subject, students will be able to: a. understand the demand for auditing, its objectives and values; b. analyze audit and assurance situations and problems, including ethical issues.
Subject Synopsis/ Indicative Syllabus	<p>Auditing and Assurance Nature and objective of auditing and assurance services. Types of audit. Auditor independence and professional ethics. Responsibilities and legal liabilities of auditors. Auditing standards and audit quality control.</p> <p>Audit planning, Materiality, Audit Risk, Audit Evidence Engagement planning and its importance. The assessment of materiality and audit risk. The audit-risk model. Judgmental sampling and evidential matters. Types of audit tests.</p> <p>Internal Control Concept of internal control and components of internal control systems. Effectiveness of internal control system on audit strategies and audit testing.</p> <p>Auditing the Financial Statements Audit methods and approaches. Assertions and the audit of the transactions and balances. Audit of sales and collection, purchases and payment, payroll properties, plants and equipment, and inventories. Performing analytical review and completing the financial statement audit.</p> <p>Reporting Audit qualifications and different types of audit reports.</p>

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Teaching/Learning Methodology	Concepts and techniques of audit and assurance will be introduced first while problems and cases will be discussed later in the seminar.						
Assessment Methods in Alignment with Intended Learning Outcomes	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)				
			a	b			
	Continuous Assessment	50%					
	1. discussions / presentations of tutorial questions and cases / class participation	25%	√	√			
	2. test / assignments	25%	√	√			
	Final Examination	50%	√	√			
	Total	100 %					
To pass this subject, students are required to obtain Grade D or above in both the Continuous Assessment and Examination components.							
Student Study Effort Required	Class contact:						
	▪ seminars						39 hrs.
	Other student study effort:						
	▪ problems and cases for presentation and discussions						26 hrs.
	▪ assignments, readings and revision						70 hrs.
	Total student study effort						135 hrs.
Reading List and References	<p>Leung, P., P. Coram, B.J. Cooper and P. Richardson, <i>Modern Auditing & Assurance Services</i>, Wiley (latest edition).</p> <p>The Hong Kong Standards on Auditing and Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants.</p>						