

ACC4714

Advanced and Sustainability Assurance

Semester 1 AY2023-24
Course Outline

Prerequisite

ACC3701 Assurance and Attestation

Teaching Team

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Learning Outcomes

After completing this module, you would be able to gain:

1. In-depth knowledge and techniques involved in several specialized assurance and attestation activities.
2. Broader career perspectives in the accounting and auditing professions.
3. Understanding of the importance of audit quality and the psychological biases that may be present when making professional judgments.
4. Opportunities to interact and discuss with other students to discover, learn and assimilate knowledge, refine skills and apply your knowledge in problem-solving.
5. Through case tutorials, case project and discussions into **circumstances behind recent audit failures, examine complicated issues and the ethical or technical dilemmas faced by auditors in the profession.**

Teaching and Learning Activities

Each student is expected to have read all lecture notes and pre-assigned case studies before attending each weekly lecture so as to meaningfully participate in the discussion. The instructor will randomly select from the class roster, any student, to respond to questions and discussions. Groups of three to six students each will be formed to work on a case project and presentation. Each group will present its research and results to the entire class during the second half of the semester.

Examinations

This module will be subject to digital assessment.

Textbooks

Relevant readings will be assigned for each topic. Students are expected to read all lecture notes posted by the instructor on Canvas and do their own research for further understanding.

A customized case eBook (ACC4714 – Auditing Cases Compilation) 2021 edition will form the basis of the case presentations in class. More information will be announced relating to the availability of this eBook.

Assessment Component	Weight
Class participation (Individual)	15%
Tutorial presentation	15%
Group project	20%
Final exam	50%
Total	100%

Tentative Schedule

Date	Week	Activity
14 August 2023 (TWC)	1	Regulatory framework and managing ethical issues in an audit - Regulatory framework - Audit committee & impact on audit and assurance practice - Professional liability - The expectation gap Advertising, publicity, obtaining professional work and fees - Provision of non-audit services to audit clients - Advertising and marketing - Restrictions on practice descriptions and the names of public accounting entities - Basis and determinants of fees and professional remuneration
21 Aug 2023 (TWC)	2	Forensic accounting, money laundering, SPVs & tax havens - Basics of forensic accounting - Fraud detection & investigation - Money laundering and the obligations of the accountant - Special purpose vehicles - Offshore financial centres Audit in China (Self-study video) – Appendix 2.3
28 Aug 2023 (TWC)	3	Quality control & capital market engagements - Principles and purpose of quality control of audit and other engagements - Quality control procedures - Monitoring of engagement compliance with standards and ethical rules Capital market engagements (Self-study video) – Appendix 3.1 - Initial public offering

		<ul style="list-style-type: none"> - Corporate finance - M&A due diligence
4 Sept 2023; (TWC)	4	<p><i>Tutorial presentation 1 (Regulatory framework & managing ethical issues; Antoine Deltour case)</i></p> <p>Special purpose engagements (I)</p> <ul style="list-style-type: none"> - Types of engagements subject to standards/regulatory framework - Negative assurance vs positive assurance - Audit and review engagements - Non-audit assurance engagements
11 Sept 2023 (TWC)	5	<p><i>Tutorial presentation 2 (Forensic Accounting; Quality control & Capital market engagements)</i></p> <p>Special purpose engagements (II) ; A deeper look into related party transactions (RTC)</p> <ul style="list-style-type: none"> - Prospective financial information - Agreed upon procedures and compilations <p>Internal audit & combined assurance (Self-study video) – Appendix 5.2</p> <p>A deeper look into related party transactions (Self-study video) – Appendix 5.3</p>
18 Sept 2023 (TWC)	6	<p><i>Tutorial presentation 3 (Special purpose engagements; Somalia case)</i></p> <p>Environmental, social, and governance (ESG) / sustainability assurance</p> <p>Environmental, social, and governance (ESG)</p> <ul style="list-style-type: none"> - ESG and how it affects auditors' work - Assurance engagement on sustainability information
		<i>Recess</i>
2 Oct 2023 (TWC)	7	<p><i>Tutorial presentation 4 (ESG & Sustainability assurance; Lehman case)</i></p> <p>SSAE 3410 Assurance Engagements on Greenhouse Gas Statements, SSAE 3000, AA1000AS & other aspects of sustainability attestation /</p>
9 Oct 2023 (AB)	8	<p>Materiality & sampling</p> <ul style="list-style-type: none"> - Materiality concepts - Performance materiality - 'Clearly trivial' (de minimis posting) level
16 Oct 2023 (AB)	9	<p><i>Tutorial presentation 5 (Materiality & sampling ; Navistar case)</i></p> <p>Group audit (I)</p> <ul style="list-style-type: none"> - Understanding the group and the component - Identifying significant components - Type of work on components
23 Oct 2023 (AB)	10	<p><i>Submission of group project (details to be provided later)</i></p> <p>Group audit (II)</p>

		<ul style="list-style-type: none"> - Understanding component auditors and component materiality - Involvement in the work of component auditors - Test consolidation - Evaluating sufficiency and appropriateness of audit evidence
30 Oct 2023 (AB):	11	<p><i>Tutorial presentation 6 (Group audit; Parmalat case)</i> Specific matters & bringing together</p> <ul style="list-style-type: none"> - Impact of specific considerations on the audit <ul style="list-style-type: none"> - accounting estimates - macroeconomic and geopolitical events - outsourcing - Auditor reporting (evaluating specific circumstances, including appropriateness of going concern assumption, and forming the opinion key audit matters, other information, comparatives, other matters) - Reporting to those charged with governance - Application to smaller entities
6 Nov 2023 (AB)	12	<p><i>Tutorial presentation 7 (Bringing together)</i> <i>Group project presentation</i></p>
13 Nov 2023 (AB) <i>13 Nov is Deepavali (PH); Makeup to be arranged. Timing to be advised.</i>	13	<p>Developments in the auditing profession</p> <ul style="list-style-type: none"> - Impact of technology - Cybersecurity - Changes in standards - Other matters <ul style="list-style-type: none"> - Ethics pronouncements - Climate change - XBRL - Outsourcing audit activities
7 Dec 2023		<i>Final exam</i>

Instructions on tutorial presentations

Tutorial questions will constitute those listed in the tutorial question sheets as well as cases from the case eBook. You should apply your auditing knowledge from not just this module but also ACC3701 Assurance & Attestation. You may also be required to do some research in order to answer the questions.

A written submission (ppt format) is required for each group assigned to present answers to the tutorial. Each presentation should be concise and focus on responding to the specific question(s) and should not exceed 20 slides. Marks would be deducted for presenting more than is required to answer the questions.

The written submission is to be **emailed** to the relevant instructor **by the preceding Saturday at 12 noon.** **A 5% mark deduction (of the total) would be made for late submissions.** The presentation must be consistent with the written submission.

After the class has been held, the presenting group should amend the slides incorporating comments made by the instructor, then upload the slides to the “Class Sharing” folder in Canvas/People/Groups/ for the benefit of fellow classmates. This should be done within 2 days after the presentation. If your presentation is on Monday, the amended slides should be uploaded by end of Wednesday. **Note that you should not upload the sides prior to your presentation.**

The focus of the presentation is on the technical content – 12 marks, 1 mark for organisation of the presentation, and 2 marks for presentation and Q&A ability. (Total 15 marks).

Please restrict your presentation to 20 minutes and focus on responding to the specific question(s) and application to the case. Ensure that your presentation addresses the relevant questions directly.

Any intention to make a submission for peer review should be communicated as soon as possible. The last date where such a submission may be made is **14 Nov 2023**. Submissions beyond this date will not be entertained.

Group project

This project involves research into an Asian business event or scandal that has an audit focus. Students are required to draw up a case study that not only tells a good story but also illustrates the complex audit and ethical issues that auditors face in the course of their work.

The tentative project submission is during the week beginning 23 October 2023, and a graded presentation of the projects will be held during the week beginning 6 November 2023. Details will be released later.