

Syllabus

for course at advanced level

Auditing

Revision

7.5 Higher Education

Credits

7.5 ECTS credits

Course code:	FE4421
Valid from:	Spring 2014
Date of approval:	2013-12-02
Department	Stockholm Business School
Main field:	Företagsekonomi
Specialisation:	A1N - Second cycle, has only first-cycle course/s as entry requirements

Decision

This syllabus was approved by the Educational Committee at Stockholm University School of Business on 2013-12-02.

Prerequisites and special admittance requirements

Degree of Bachelor worth at least 180 credits, or admission to Business Studies IV, Extended Course or Business Studies IV, Magister's Course, Master's programme, or equivalent.

Course structure

Examination code	Name	Higher Education Credits
4522	Auditing	7.5

Course content

During this course we will study and discuss auditing, an assurance function that is of high importance to society for a number of reasons, not the least because of an expectation of its ability to render financial reports trustworthy. Statutory auditing has been under scrutiny by governments and the public, because of the large corporate failures at the beginning of this century in companies such as Enron, WorldCom, Parmalat, Ahold, and in Sweden; Carnegie and HQ Bank to mention but a few. These failures, together with the happenings during the last financial crisis, have caused a debate on current auditing practices, especially concerning rather traditional issues such as auditor independence, quality of audit work and economic incentives for performing audit assignments. We have witnessed a change in the nature of regulation from professional self-regulation to state and governmental regulation for example by the European Commission, in an aim to enhance the public interest function of auditors. Regulatory changes are deemed necessary for the broader community to rely on the quality of audit work meant to contribute to the integrity and efficiency of financial statements for the orderly functioning of markets. Institutional changes have taken place in the audit industry, where audit firms are allegedly argued to have changed from professional assurance providers to consulting organizations with an emphasis on commercial interests at the expense of professional values. We will discuss and elaborate with the reasons for these changes, and the ways the professional claims are still sustained, towards the background of an understanding of the concepts and principles that govern audit practice and the auditing profession.

Learning outcomes

Intended Learning Outcomes

The overall aim of the course is to develop students' understanding of auditing from a broad perspective as well as their knowledge of the different components of an auditing mission and of current developments within the auditing industry. After completion of the course, students are expected to be able to:

Knowledge and understanding

1. Define and explain fundamental concepts, methods and rules concerning company auditing.
2. Define and explain current research in auditing from perspectives such as the public interest, regulation, institutional processes and the profession towards methods applied in auditing research.

Skills and abilities

3. Apply auditing theory and concepts in order to discuss and reflect upon societal and developmental issues concerning the auditing profession.

Judgement and approach

4. Based on the acquired knowledge and understanding of auditing:
 - a) produce auditing procedures for relevant steps in a general audit process.
 - b) reflect on the societal aspects of auditing and how apprehensions of auditing may change, due to applied methods of research.

Education

The course consists of a combination of lectures, seminars and group work and requires a significant portion of self-study on the part of students. Assessment for the course will be continuous and is carried throughout the different activities of the course.

The course workload (model: 40 hours per week equivalent to 1,5 ECTS) is allocated as follows:

Teacher-led lectures: 18 hours

Teacher-led seminars: 4 hours

Project report: 55 hours

Literature assignment: 20 hours

Self-studies: 99 hours

Assessment: 4 hours

Total workload: 200 hours equivalent to 7,5 ECTS.

The language of instruction is English.

Please note that all teaching and learning activities - such as lectures, seminars, assignments and assessment tasks – are carried out in English when the language of instruction is English.

Forms of examination

Assessment for the course will be continuous and is carried throughout the different course activities. Each assessment task is weighted in relation to its importance in the overall assessment of the course. The student's results from the different assessment tasks are added up to a total course score that will then translate into the final grade for the course.

Assessment tasks

The course contains the following weighted assessment tasks:

1. Individual final examination: assesses intended learning outcomes 1, 2, 3, 4a, 4b; constitutes 70% of total course points.

2. Project group paper: assesses intended learning outcomes 1, 4a; constitutes 20% of total course points.
3. Literature group paper: assesses intended learning outcomes 1, 2, 3, 4b; constitutes 10% of total course points.

Grading

After completion of the course, students will receive grades on a scale related to the intended learning outcomes of the course. Passing grades are A, B, C, D and E. Failing grades are Fx and F. A grade Fx can be completed for a grade E.

A course comprises 0–100 course points. Receiving a final passing grade requires ≥ 50 course points. The scale for the final grade is tied to fixed score intervals: A: 90-100; B: 80-89; C: 70-79; D: 60-69; E: 50-59; Fx: 45-49; F: 45. The grades correspond to the total score points a student obtains (over a total of 100) for all the weighted assessment tasks combined as part of the continuous assessment for the course.

Each assessment task is awarded 0–100 points. The score for a single assessment task is the number of points multiplied by its percentage weight, and the combined total of score points for all weighted assessment tasks for the course are added up to a final score between 0 and 100 which then translates into a corresponding final course grade between A and F.

All assessment tasks are assessed on a 100-point scale.

The student is responsible for completing the course's assessment tasks: that a sufficient amount of course points is earned and a passing course grade is obtained. The course's final assessment task can be taken twice: 1) during the course's first scheduled occasion; and, if a passing result (≥ 50 course points) was not achieved at the first occasion, 2) at the course's second, scheduled occasion. All other assessment tasks are offered once during the course.

A passing grade (A–E) in the course is obtained when a student has achieved ≥ 50 course points.

A failing grade (Fx or F) in the course is obtained when a student has not achieved ≥ 50 course points:

- If 45–49 course points are achieved, a grade Fx is obtained, which can be completed for a grade E within 3 semester weeks after receiving instructions from the course director. If a complementary task is not completed within this time limit, and the course's two final assessment tasks have been accomplished, the course grade Fx is confirmed, implying that the student must re-register for the course and that previously acquired course points are forfeited. Note that first-time registered students have priority access to the seminar groups.
- If 45 course points are achieved, a grade F is obtained, implying that the entire course must be retaken and that previously acquired course points are forfeited.

Re-registration implies that:

- first-time registered students have priority access to the course's group registration;
- the final assessment task can be re-assessed without attendance at any of the course's other learning activities and without points from the course's other assessment tasks accredited.

Students receiving a passing grade may not retake the final examination or complete a previously not completed assessment task to attain a higher grade. A passing grade may not be turned into a failing grade upon the request of a student.

Assessment criteria

Assessment criteria are designed as overall assessments, combined qualitative descriptions of what the student is expected to do in order to demonstrate how well the course's learning outcomes are achieved. The assessment criteria are based upon the general abilities as expressed in the degree objectives of the Higher Education Ordinance (appendix 2, System of Qualifications). The list of abilities below is a compilation of these degree objectives. To pass the course (grade E) students should demonstrate general ability to:

- recall, understand and explain course content, the course subject and its scientific basis and methodology;
- apply course content;

- critically analyse course content;
- problematise course content;
- orally and in writing, present and discuss course content;
- assess course content in terms of scientific, social, and ethical aspects;
- relate course content to current social issues;
- meet standards of written presentation and formal accuracy.

The following assessment criteria are used to decide to what extent students have demonstrated these abilities and hence fulfil the course's intended learning outcomes, whereby a grading decision can be made. A higher grade-level presupposes the abilities at lower levels.

A (Excellent) ☐

The student demonstrates ability to evaluate and relate to the content of the course from a comprehensive, critically reflective perspective, as well as to transfer and apply insights in new, meaningful contexts.

B (Very Good) ☐

The student demonstrates ability to, from an overarching and coherent perspective of the field, understand and use concepts to explain how different aspects of the course relate to each other, interconnect and become meaningful.

C (Good) ☐

The student demonstrates ability to discuss the content, tasks and complex issues dealt with in the course from several well-developed but mainly independent perspectives.

D (Satisfactory) ☐

The student demonstrates satisfactory ability to discuss the content, tasks and complex issues dealt with in the course in a way that, albeit in-depth and elaborate, is decidedly one-dimensional.

E (Sufficient) ☐

The student demonstrates sufficient ability to discuss the content, tasks and complex issues dealt with in the course in a way that is decidedly one-dimensional.

Fx (Fail) ☐

The student's knowledge, skills and abilities display minor flaws, overall or in significant parts.

F (Fail) ☐

The student's knowledge, skills and abilities display major flaws, overall or in significant parts.

Interim

If the course is discontinued, or its contents are substantially altered, students have the right to be examined according to this syllabus once per semester for three further semesters.

Limitations

This course may not be included in a degree together with a course, taken in Sweden or elsewhere, of identical or partially similar content.

Required reading

Required Reading

Eilifsen A, Messier W F and Glover S M (2013). Auditing and Assurance Services, 3rd edition, McGraw Hill Higher Education, ISBN: 9780077143015.

A selection of academic articles (updated each semester, see the study guide).