

NAME OF THE COURSE		Principles of Auditing					
Code	EUB213	Year of study	3.				
Course teacher	Tina Vuko, PhD Associate Professor Marko Čular, PhD Assistant Professor	Credits (ECTS)	5 ECTS				
Associate teachers		Type of instruction (number of hours)	L	S	E	F	
			26		26		
Status of the course	Compulsory	Percentage of application of e-learning	20%				
COURSE DESCRIPTION							
Course objectives	The students will be able to define the process of financial statement audit and to analyse the audit opinion. The students will be able to apply fundamental auditing concepts and methods.						
Course enrolment requirements and entry competences required for the course	Entry requirements are defined by the Statute of the Faculty of Economics, Business and Tourism and Study Regulations						
Learning outcomes expected at the level of the course (4 to 10 learning outcomes)	<ol style="list-style-type: none"> Analyse relevant factors of external audit environment. Link the nature, extent and timing of audit evidence with audit risk assessment and materiality levels. Distinguish different parts of the audit process. Analyse audit report. 						
Course content broken down in detail by weekly class schedule (syllabus)	Lectures			Exercises			
	Topic	Hours	Topic	Hours			
	The role and the relevance of external auditing. Types of auditing.	2	Introduction to audit. The evolution of auditing; types of audit: case studies and review questions.	2			
	Regulative framework of statutory audit in Republic of Croatia.	2	Regulative framework of statutory audit in Republic of Croatia: case studies and review questions.	2			
	Auditing principles and standards. International Auditing Standards. Professional ethics in auditing.	2	Auditing principles and standards. Case studies and examples.	2			
	Management assertions and audit objectives. Auditor's responsibilities relating to fraud in financial statements.	2	Professional ethics from the perspective of well-known corporate scandals. Case studies.	2			
	Fundamental auditing concepts: materiality.	2	Application of materiality concept on financial statement audit – examples.	2			
	Fundamental auditing concepts: audit risk.	2	Application of audit risk model.	2			
	Fundamental auditing concepts: audit evidence and audit documentation. Audit evidence and management assertions.	2	Audit evidence and management assertions – examples.	2			
	Overview of the financial auditing process. Preliminary activities.	2	Preliminary activities: case studies and review questions.	2			

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	Understanding client and its environment. Audit planning and preliminary analytical review.	2	Audit planning and analytical procedures. Case study and examples.	2												
	Understanding the internal control system and tests of controls. Defining preliminary audit strategy.	2	Assessing internal control system and conducting tests of controls. Case studies and examples.	2												
	Substantive audit procedures and audit completion procedures. Fundamentals of audit sampling.	2	Conducting substantive audit procedures and completing audit.	2												
	Audit reporting.	2	Audit sampling. Examples.	2												
	Types of audit opinion.	2	Audit reporting and auditor's opinion. Case studies and examples.	2												
Format of instruction	<input checked="" type="checkbox"/> lectures <input type="checkbox"/> seminars and workshops <input checked="" type="checkbox"/> exercises <input type="checkbox"/> <i>on line</i> in entirety <input type="checkbox"/> partial e-learning <input type="checkbox"/> field work		<input type="checkbox"/> independent assignments <input type="checkbox"/> multimedia <input type="checkbox"/> laboratory <input type="checkbox"/> work with mentor <input type="checkbox"/> (other)													
Student responsibilities	To obtain a signature, Students have to regularly attend classes and achieve minimum 50% of the attendance. Students also have to take four self-assessment tests.															
Screening student work <i>(name the proportion of ECTS credits for each activity so that the total number of ECTS credits is equal to the ECTS value of the course)</i>	Class attendance	1,5	Research	Practical training												
	Experimental work		Report	Self-Assessment Tests	0,5											
	Essay		Seminar essay	(Other)												
	Tests* (two written tests are equivalent to final exam)	3	Oral exam	(Other)												
	Written exam	3	Project	(Other)												
Grading and evaluating student work in class and at the final exam	<p>During the classes, students can take two tests. The necessary condition for taking the second test is to obtain passing grade from the first test. Students that achieve minimum 50% on each test, and on average 60% from both tests have passing grade on the final exam.</p> <p>A student can earn additional 10 percentage points on final score by actively participating in the class. The additional points can be used in first two exam terms. Final exam is written exam.</p> <p>Exam and tests grades are defined as follows:</p> <table border="0"> <tr> <td>Percentage</td> <td>Grade</td> </tr> <tr> <td>0% - 59%</td> <td>Insufficient (1)</td> </tr> <tr> <td>60% - 69%</td> <td>Sufficient (2)</td> </tr> <tr> <td>70% -79%</td> <td>Good (3)</td> </tr> <tr> <td>80%- 89%</td> <td>Very good (4)</td> </tr> <tr> <td>90% - 100%</td> <td>Excellent (5)</td> </tr> </table>				Percentage	Grade	0% - 59%	Insufficient (1)	60% - 69%	Sufficient (2)	70% -79%	Good (3)	80%- 89%	Very good (4)	90% - 100%	Excellent (5)
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	Title	Number of copies in the library	Availability via other media
Required literature (available in the library and via other media)	. Brozović, M., Mamić Sačer, I., Pavić, I., Sever Mališ, S., Tušek, B., Žager, L.: Revizija nadzorni mehanizam korporativnog upravljanja, Hrvatska zajednica računovođa i financijskih djelatnika, Zagreb, 2020.	x	
	Internal lectures materials		Moodle
Optional literature (at the time of submission of study programme proposal)	<p><i>Books:</i> Filipović, I. Bartulović, M., Filipović, M.: Revizija: mehanizam nadzora i povjerenja, Redak, digitalni tisak knjiga, 2018. <u>Messier, W. F., Jr., S. M. Glover, and D. F. Prawitt. Auditing and Assurance Services: A Systematic Approach. Fourth – Eleventh Editions (2006, 2008, 2008, 2010, 2012, 2014, 2016, 2019). New York: Irwin-McGraw-Hill, Inc.</u> Popović, Ž., Vitezić, N.: Revizija i analiza instrumenti uspješnog donošenja poslovnih odluka, RiF, Zagreb, 2009.</p> <p><i>Papers:</i> Aljinović Barać, Z., Vuko, T., Šodan, S. (2017). What can auditors tell us about accounting manipulations?. <i>Managerial Auditing Journal</i>, 32(8), 788-809. Čular, M. (2017). Transparency report delay and disclosure by Croatian audit firms. <i>Croatian Operational Research Review</i>, 8(1), 299-316. Perica, I., Čular, M. (2017). Rotation of audit firms. <i>Journal of Economy and Business</i>, 23(1), 187. Vuko, T., Čular, M. (2014): Finding determinants of audit delay by pooled OLS regression analysis, <i>Croatian Operational Research Review</i>, Vol. 5, No.1, pp. 81-91.</p> <p><i>Other sources:</i> Hrvatska revizorska komora (http://www.revizorska-komora.hr/) Ministarstvo Financijske (http://www.mfin.hr/en) Zagrebačka burza (zse.hr)</p>		
Quality assurance methods that ensure the acquisition of exit competences	<ul style="list-style-type: none"> - Attendance and fulfilment of student obligations monitoring (by the teacher). - Attendance monitoring (by the vice-dean for education). - The analysis of students' performance across classes within the study programme (by the vice-dean for education). - Students' feedback via questionnaires (UNIST, Centre for quality improvement). - The course teacher examines all outcomes of the course. The content of the exam is assessed periodically in order to establish the adequacy of course outcomes examination (by the vice-dean for education). 		
Other (as the proposer wishes to add)			