

NAME OF THE COURSE		Internal control and auditing				
Code	EUBD08	Year of study	2			
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 assess risk management, controls and governance efficiency and effectiveness of the organization.					
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"> 1. Evaluate business risks. 2. Evaluate internal control. 3. Define the role of the internal audit function in risk management, controls and governance. 4. Evaluate audit procedures and audit findings. 					
Course content broken down in detail by weekly class schedule (syllabus)	Lectures		Exercises			
	Topic	Hours	Topic	Hours		
	Corporate governance, risks, control, compliance - introduction. Business processes and risks, integrated risk management.	2	Introduction to ARIS platform (Architecture of Integrated Systems). Understanding and making business processes flow diagrams. Corporate governance risks and control.	2		
	Types and levels of internal control. Limitations of internal control.	2	Risk assessment methods. Examples.	2		
	COSO IC and COSO ERM frameworks.	2	Application of COSO IC and COSO ERM – case studies.	2		
	Information security, cyber risks and data protection. IT frameworks. COBIT framework.	2	Internal control analysis. Assessing control deficiencies and weaknesses. Examples.	2		
	Fraud risks and anti-fraud controls. Societe Generale case study.	2	Cost/benefit analysis of internal control implementation.	2		
Internal audit profession. International Professional Practice Framework (IPPF). Normative framework of internal audit profession in Croatia.	2	Integrated analysis: business processes, risks and control. Case study.	2			

	The nature and responsibilities of the internal audit function (IAF). Organizational status of the IAF. Internal organization of the IAF. Internal and external assessment of the IAF.	2	Risk based internal audit – planning. 3LoD model and assurance map.	2	
	The role and responsibilities of the IAF in risk management, controls and governance. Internal audit approaches. 3LoD model. Type of audit services.	2	Engagement planning steps: forming engagement objectives, criteria and scope. Risk – control matrix. Prioritization.	2	
	Planning the assurance engagement. Evaluating design and effectiveness of controls and other risk management techniques. Internal audit procedures.	2	Gathering and evaluating information (reviewing documentation, walk-throughs and interviews, ICQ, observation...) as part of preliminary engagement activities - examples. Types of audit evidence.	2	
	Documentation and communication of results. Follow-up.	2	Audit testing. Sampling procedure.	2	
	Documentation and communication of results. Follow-up. Consulting services. Types of consulting services. Future of internal audit (hindsight, insight, foresight).	2	Possibilities of applying analytical procedures in internal auditing. Examples.	2	
	Internal control and risk management in public sector. Internal audit in public sector.	2	Possibilities of applying analytical procedures in internal auditing. Examples.	2	
	Internal audit vs external (statutory) audit. Cooperation. Audit committee role.	2	Reporting, communicating and follow-up procedures.	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 checked="" type="checkbox"/> guest lectures		
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	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. A student can earn additional 10 percentage points on final				

	<p>score by actively participating in the class. The additional points can be used in first two exam terms.</p> <p>To pass, it is necessary to achieve a minimum of 50% of points from the theory and a minimum of 50% of points from the problem/solution tasks, and on average to achieve a minimum of 60% of points at the level of the entire exam.</p> <p>Exam and tests grades are defined as follows:</p> <table> <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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Optional literature (at the time of submission of study programme proposal)	<p><i>Books:</i></p> <p>Moeller, R. R.: Brink's Modern Internal Auditing, John Wiley&Soons, New York, 2009.</p> <p>Picket, K. H. S.: The Essential Handbook of Internal Auditing, John Wiley & Sons, New York, 2003.</p> <p>Sawyer, L.: Sawyer's Guide for Internal Auditors, 6th Edition, The IIA Research Foundation, 2012.</p> <p><i>Papers:</i></p> <p>Christ, M. H., Eulerich, M., Krane, R., & Wood, D. A. (2021). New frontiers for internal audit research. <i>Accounting Perspectives</i>, 20(4), 449-475.</p> <p><u>Slapničar, S., Vuko, T., Čular, M., & Drašček, M. (2022). Effectiveness of cybersecurity audit. <i>International Journal of Accounting Information Systems</i>, 100548.</u></p> <p>Vuko, T., Čular, M. (2017). Korištenje radom internih revizora prema izmijenjenom MRevS-u 610. <i>Računovodstvo, revizija i porezi u praksi</i>. Udruga računovođa i financijskih djelatnika Split.</p> <p>Vuko, T., Dropulić, I., Bandalo, I. (2014). Suradnja unutarnje i državne revizije u javnom sektoru. <i>Zbornik radova (Journal of Economy and Business)</i>, 149-169.</p> <p><i>Other sources:</i></p> <p>Hrvatski institut internih revizora (http://www.hiir.hr/)</p> <p>The Institute of Interna Auditors (https://na.theiia.org/Pages/IIAHome.aspx)</p>																				
	Quality assurance methods that	<ul style="list-style-type: none"> - Attendance and fulfilment of student obligations monitoring (by the teacher). - Attendance monitoring (by the vice-dean for education). 																			

ensure the acquisition of exit competences	<ul style="list-style-type: none"> - 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)	