

NAME OF THE COURSE		Internal control					
Code	ECS512	Year of study	1				
Course teacher	Izv.prof.dr.sc. Tina Vuko Doc.dr.sc. Marko Čular	Credits (ECTS)	6 ECTS				
Associate teachers	Izv.prof.dr.sc. Tina Vuko Doc.dr.sc. Marko Čular	Type of instruction (number of hours)	L	S	E	F	
			26		26		
Status of the course	Compulsory	Percentage of application of e-learning	15%				
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"> <li>1. Evaluate business risks.</li> <li>2. Evaluate internal control.</li> <li>3. Define the role of the internal audit function in risk management, controls and governance.</li> <li>4. Evaluate audit procedures and audit findings.</li> </ol>						
Course content broken down in detail by weekly class schedule (syllabus)	Lectures			Exercises			
	Topic	Hours	Topic	Hours			
	Corporate governance, risks, control, compliance - introduction.	2	Corporate governance risks and control.	2			
	Business processes and risks. Integrated risk management.	2	Understanding and making business processes flow diagrams.	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			
	Internal control over financial reporting. COBIT framework.	2	Internal control analysis. Assessing control deficiencies and weaknesses. Examples.	2			
	Fraud risks and anti-fraud controls. Case study Societe Generale.	2	Cost/benefit analysis of internal control implementation.	2			
	Internal audit profession. International Professional Practice Framework (IPPF).	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.	2	The role of internal audit in risk detection and prevention.	2			

	The role and responsibilities of the IAF in risk management, controls and governance.	2	Risk based internal audit. Case study.	2													
	Planning the assurance engagement. Evaluating design and effectiveness of controls and other risk management techniques.	2	Planning the assurance engagement – examples.	2													
	Documentation and communication of results. Follow-up.	2	Methods and procedures of collecting evidence 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.	2	Control self-assessment.	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 checked="" 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 must pass four self-evaluation tests on the Moodle course pages (more than 50%) and attend classes (minimum 50%). The self-evaluation test consists of multiple-choice questions or problem tasks. By solving self-evaluation tests, the student gets an insight into the acquired knowledge before taking colloquia or exams.																
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	Research		Practical training												
	Experimental work		Report		Self-evaluation tests	1											
	Essay		Seminar essay		(Other)												
	Tests* (two written tests are equivalent to written exam)	4	Oral exam	2	(Other)												
	Written exam	2	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 written 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> <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 consist from two parts: written and oral exam. After passing the written</p>					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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	exam, student can take oral exam. The relationship between written and oral exam is 50:50.		
	<b>Title</b>	<b>Number of copies in the library</b>	<b>Availability via other media</b>
Required literature (available in the library and via other media)	Tušek, B., Žager, L., Barišić. I.: Interna revizija, Hrvatska zajednica računovođa i financijskih djelatnika, Zagreb, 2014.	3	
	Filipović, I. Bartulović, M., Filipović, M.: Revizija: mehanizam nadzora i povjerenja, Redak, digitalni tisak knjiga, 2018.	x	x
	Internal lectures materials		Moodle
Optional literature (at the time of submission of study programme proposal)	<p><i>Books:</i>  Moeller, R. R.: Brink's Modern Internal Auditing, John Wiley&amp;Soons, New York, 2009.  Picket, K. H. S.: The Essential Handbook of Internal Auditing, John Wiley &amp; Sons, New York, 2003.  Sawyer, L.: Sawyer's Guide for Internal Auditors, 6th Edition, The IIA Research Foundation, 2012.</p> <p><i>Papers:</i></p> <ol style="list-style-type: none"> <li>Slapničar, S., Vuko, T., Čular, M. &amp; Drašček, M. (2022) Effectiveness of cybersecurity audit. <i>International journal of accounting information systems</i>, doi:10.1016/j.accinf.2021.100548.</li> <li>Perković, A. &amp; Čular, M. (2021) ESG izvještavanje: uloga interne revizije. <i>Računovodstvo i financije</i>, 12, 66-68.</li> <li>Perković, A. &amp; Čular, M. (2021) Uloga interne revizije u Modelu tri linije. U: Vuko, T. (ur.) <i>55. savjetovanje "Računovodstvo, revizija i porezi u praksi"</i>. Split, URFD, str. 69-76.</li> <li>Perković, A. &amp; Čular, M. (2021) Model tri linije: principi i primjena. <i>Računovodstvo i financije</i>, 4, 57-60.</li> <li>Čular, M., Drašček, M., Slapničar, S. &amp; Vuko T. (2021) How effective is internal auditors' cyber security assurance?, e brošura, <a href="https://www.bib.irb.hr/1113336">https://www.bib.irb.hr/1113336</a></li> <li>Čular, M., Slapničar, S. &amp; Vuko, T. (2020) The Effect of Internal Auditors' Engagement in Risk Management Consulting on External Auditors' Reliance Decision. <i>European accounting review</i>, 29 (5), 999-1020 doi:10.1080/09638180.2020.1723667.</li> <li>Čular, M. (2019) Utjecaj organizacije interne revizije i učinkovitog revizijskog odbora na korištenje rada interne revizije u eksternoj reviziji. <i>Ekonomski misao i praksa : časopis Sveučilista u Dubrovniku</i>, 28 (1), 3-22.</li> </ol> <p><i>Other sources:</i>  Hrvatski institut internih revizora (<a href="http://www.hiir.hr/">http://www.hiir.hr/</a>)  The Institute of Interna Auditors (<a href="https://na.theiia.org/Pages/IIAHome.aspx">https://na.theiia.org/Pages/IIAHome.aspx</a>)</p>		
Quality assurance methods that ensure the acquisition of exit competences	<ul style="list-style-type: none"> <li>- Attendance and fulfilment of student obligations monitoring (by the teacher).</li> <li>- Attendance monitoring (by the vice-dean for education).</li> <li>- The analysis of students' performance across classes within the study programme (by the vice-dean for education).</li> <li>- Students' feedback via questionnaires (UNIST, Centre for quality improvement).</li> <li>- 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).</li> </ul>		
Other (as the proposer wishes to add)			

