

NAME OF THE COURSE		Auditing				
Code	EUB308	Year of study	1			
Course teacher	Tina Vuko, PhD -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 critically apply different auditing procedures and to evaluate audit evidence.					
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. Critically evaluate the role of external audit as corporate governance mechanism from international perspective.</li> <li>2. Evaluate quality control and oversight systems of external audit.</li> <li>3. Select appropriate audit procedures.</li> <li>4. Evaluate audit evidence.</li> </ol>					
Course content broken down in detail by weekly class schedule (syllabus)	Lectures		Exercises			
	Topic	Hours	Topic	Hours		
	Introduction. Demand for auditing.-	2	Demand for auditing (hypotheses), the role of auditing in modern society – examples.	2		
	Audit profession and audit market.. Audit and non-audit services.	2	Auditing profession and market; audit vs. non-audit services – examples.	2		
	Corporate fraud, corporate scandals and external audit. Auditing, organization and corporate governance. The role of audit committee and external audit in corporate governance.	2	Watching and discussing a documentary movie on Enron (Enron: The Smartest Guys in the Room) – discussion regarding financial fraud, corporate governance and auditing.	2		
	Quality control and oversight systems in external auditing. Auditor independence – contemporary problems and solutions.	2	Comparative analysis of quality control and oversight systems in external auditing. Analysis of the auditor liability in a changing environment. Independence threats – case studies and review questions.	2		
	Comparison of the audit regulation in alternative EU settings.	2	Students' presentation of audit regulation in their countries.	2		
	Risk based audit process: materiality concept, audit risk model, defining audit strategy and audit evidence collection).	2	Excel and CaseWare IDEA® Data Analysis software: Application of materiality concept and audit risk model in financial statement audit. Audit evidence:– introduction.	2		

	Management assertions, audit objectives, audit tests and audit evidence.	2	Excel and CaseWare: Management assertions, audit objectives, audit tests and audit evidence.	2		
	Types of audit testing procedures. Test of controls and attribute sampling.	2	Excel and CaseWare: Attribute sampling.	2		
	Substantive procedures. Monetary unit sampling. Classical variables sampling.	2	Excel and CaseWare: Monetary Unit Sampling (MUS).	2		
	Analytical procedures. CAATs. Audit Data Analytics.	2	Excel and CaseWare: Classical variables sampling and other sampling techniques..	2		
	Auditing business processes – examples. Guest lectures.	2	Excel and CaseWare: Analytical procedures.	2		
	Completing the audit process. Audit report and types of opinion.	2	Excel and CaseWare: Audit sampling and analytical procedures.- integrated cases.	2		
	Nonfinancial reporting and the role of external audit. The perspectives of audit development.	2	Audit report and auditor opinion – analysis of audit reports from publicly traded companies in Croatia. Nonfinancial reporting.	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 two self-assessment tests.					
Screening student work (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)	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	2	(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. The ponder of the importance for the first test is 0.4 and for the second test is 0.6. 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. 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>					

	Percentage	Grade	
	0% - 59%	Insufficient (1)	
	60% - 69%	Sufficient (2)	
	70% -79%	Good (3)	
	80%- 89%	Very good (4)	
	90% - 100%	Excellent (5)	
Required literature (available in the library and via other media)	Title	Number of copies in the library	Availability 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	
	Soltani, B.: Revizija – Međunarodni pristup, Mate, Zagreb, 2009.	2	
	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.</p> <p>Messier, W. F., Jr., S. M. Glover, and D. F. Prawitt. <u>Auditing and Assurance Services: A Systematic Approach. Fourth – Eleventh Editions (2006, 2008, 2008, 2010, 2012, 2014, 2016, 2019).</u> New York: Irwin-McGraw-Hill, Inc. Popović, Ž., Vitezić, N.: Revizija i analiza instrumenti uspješnog donošenja poslovnih odluka, RiF, Zagreb, 2009.  Sever Mališ, S., Tušek, B., Žager, L.: Revizija, Hrvatska zajednica računovođa i financijskih djelatnika, Zagreb, 2012.</p> <p><i>Papers:</i>  Eilfsen, A., Kinserdal, F., Messier, W. F., &amp; McKee, T. E. (2020). An exploratory study into the use of audit data analytics on audit engagements. <i>Accounting Horizons</i>, 34(4), 75-103.</p> <p>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.  Vitezić, N., Vuko, T., Perić, H. (2016). Determinants of Audit Fees in Republic of Croatia. <i>Zbornik radova (Journal of Economy and Business)</i>, 373-390  Vuko, T., Maretić, M., Čular, M. (2015). The role and effectiveness of audit committee in corporate governance of credit institutions. <i>International Journal of Social, Education, Economics and Management Engineering</i>, 9(4), 324-328.  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 surces:</i></p>		

	<p>Državni ured za reviziju (<a href="http://www.revizija.hr/en">http://www.revizija.hr/en</a>)  Hrvatska revizorska komora (<a href="http://www.revizorska-komora.hr/">http://www.revizorska-komora.hr/</a>)  Ministarstvo Financija (<a href="http://www.mfin.hr/en">http://www.mfin.hr/en</a>)  Zagrebačka burza (<a href="http://www.zse.hr">zse.hr</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)	