



Internal Audit - Key Note & ACIA Course ***(ADVANCED CERTIFICATE COURSE IN INTERNAL AUDIT)***

ICAI

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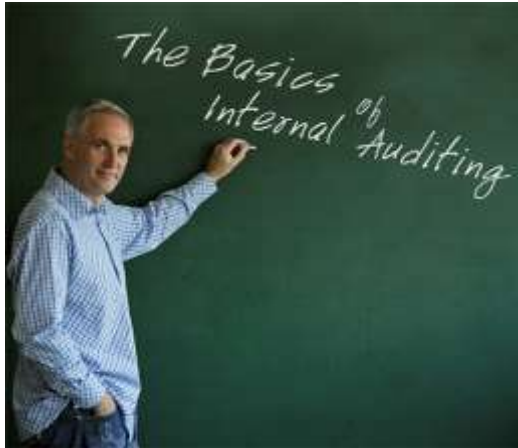
Historic Moment = Commencement of ACIA



Agenda- Introduction to ACIA & Internal Audit

- ◆ Internal Audit – Changing landscape
- ◆ ACIA Course Coverage
- ◆ ICAI IAASB - Standards
- ◆ USP & Value –Add = ACIA

Internal Audit - Gamechanger



- ◆ Transformation to Risk Based Internal Audit
- ◆ Catalyst in reviewing Internal Controls, assistance in IFC framework implementation
- ◆ GRC & Risk Management
- ◆ Increasing role in fraud deterrence & detection,
- ◆ Business partner- enabler, accelerator, guide
- ◆ **Industry 4.0** = Extensive **deployment of BI, Data Analytics**, AI, Robotics, Cloud, CAAT, Focus on Standards – IIA, ISACA, IAAS
- ◆ **Companies Act 2013 : IFC** : Sec – 134, 138 , 177 on ERM, Audit Committees & IA, Vigilance
- ◆ Focus on Corporate Governance, Risk & Controls
- ◆ SEBI Clause 49 on Audit Committees
- ◆ Value – add & drive growth

MISSION STATEMENT

“The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting.”

VISION STATEMENT

“The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.”

ACIA – A Gamechanger

◆ **Course Objectives:**

- ◆ α On successful completion of the course, participants will gain knowledge on the theory and practice of Internal Audit
- ◆ α Develop proficiency in Internal Audit of different sectors
- ◆ α Build Governance, Risk and Compliance as one of their core competencies
- ◆ α Guide certified members to distinguish themselves from others conducting internal audits
- ◆ α Building up Internal Audit as one of the core competence areas of Cost and Management Accountants

◆ **Passing Criteria:**

- ◆ α Minimum marks required for passing is 50% i.e. 50 marks out of 100
- ◆ α A participant has to attend 75% of online classes, failing which he/she will not be entitled to appear in the examination
- ◆ Participants successfully complete the course in line with the evaluation criteria outlined here and qualify the evaluation test will be awarded with Certificate of Course Completion

ACIA – introduction

- ◆ Upskill & reskill program
- ◆ ACIA – timely , appropriate, content
- ◆ Need of hour – digital age
- ◆ Positive value –add :
 - ✓ Practising Members – new window
 - ✓ **Industry Members :**
 - ✓ 1. Design, implement, review & monitor IC – CAE / CIA roles
 - ✓ 2. F&A : insight in RCM
 - ✓ Internal Audit professionals
 - ✓ Process Audit / ISO Audit professionals
 - ✓ CMA Final students – campus

Internal Auditing and Assurance Standards Board (IAASB)

- ◆ *“ The Institute & eminent resource persons from our profession have felt the need for the constitution of board for Internal Audit.*
- ◆ *The Institute has formulated and issue standards, guidelines and advisory for the Internal Audit Function.*
- ◆ *The Cost Accountants have been recognized by the Companies Act, 2013 and other regulatory bodies for appointment as Internal Auditors. “*
- ◆ **IAAS**
- ◆ **Category-I: Standards on General Principles of Internal Audit**
- ◆ **Category-II: Standards on Principles related to Internal Audit Process**
- ◆ **Glossary to the Internal Audit & Assurance Standards**
- ◆ **Guidance Note – RBIA**
- ◆ **Industries = Cement, Logistics, Power, Pharma etc**

Institute Guidelines - IAAS

◆ Objectives of Internal Audit

- ◆ Internal Audit (IA) = independent assurance and consulting activity performed to provide value addition to the entity's operations to achieve its objectives.
- ◆ It helps to evaluate and improve the effectiveness of internal control, risk management and governance processes.
- ◆ IA provides an assurance relating to effectiveness of operations, reliability of financial
- ◆ management and reporting, efficiency of systems & processes, and compliance with laws and regulations.
- ◆ IA also provides safeguard against potential fraud, waste, or abuse and value adding consultancy to the management to improve the entity's operations and efficiency of resource utilization.
- ◆ While attaining these objectives, the three 'E's of audit –
 - ❖ Efficiency,
 - ❖ Effectiveness, &
 - ❖ Economy,
- ◆ must be followed by the internal audit team.

Coverage – Module 1 : 100 marks

- ◆ **Introduction and Overview of Internal Audit = 8 hours, 100 marks**
- ◆ Evolution and History of Internal Auditing
- ◆ Definition, Objectives, and Scope of Internal Auditing
- ◆ Types of internal Audit
- ◆ Assurance & Consulting Services in Internal Audit
- ◆ Basic Principles of Internal Audit
- ◆ Overview of Internal Auditing Standards
- ◆ Laws and Regulations on Internal Audit
- ◆ Internal Audit Charter – Meaning, Purpose, & Components
- ◆ Internal Audit of Cost Records
- ◆ Role of Internal Auditor as a Management Member
- ◆ Role of Cost Accountant as an Internal Auditor
- ◆ Guidance Notes on Internal Audit

Module 2 : 100 marks

- ◆ **Planning and Executing Internal Audit= 10 hours, 100 marks**
- ◆ Internal Audit Planning
- ◆ Internal Audit Programme
- ◆ Managing Internal Audit Engagements
- ◆ Internal Audit Methodology
- ◆ Use of Sampling Techniques
- ◆ Internal Audit Questionnaires & Checklists
- ◆ Internal Audit Evidence
- ◆ Audit Conclusion and Corrective Measures
- ◆ Format of Internal Audit Report – Contents & Presentation
- ◆ Communicating to Audit Committee/Board
- ◆ Monitoring Engagement Progress & Outcomes
- ◆ Documentation & Working Papers
- ◆ Case Studies

Module 3 : 100 marks

- ◆ **Internal Audit Skills & Techniques = 16 hours, 100 marks**
- ◆ Knowledge of Business & Industry
- ◆ Operations and Process Understanding
- ◆ Process Mapping including Flowcharting
- ◆ Proficiency & Due Professional Care
- ◆ Data Mining & Analysis
- ◆ Use of Technical Experts
- ◆ Use of Technology in Internal Audit
- ◆ Interpersonal and Communication Skills

Module 4 : 100 marks

◆ **Internal Audit of Specific Functions= 16 hours, 100 marks**

- ◆ Internal Controls
- ◆ Enterprise Risk Management
- ◆ Risk Based Internal Audit
- ◆ Corporate & Administration
- ◆ Production & Operations
- ◆ Purchase & Inventory Management
- ◆ Sales, Marketing, Storage and Distribution
- ◆ Related Party/ Cross Border Transactions
- ◆ Finance, Accounts & Treasury
- ◆ Cost Records, Cost Reporting & Management
- ◆ HRD and Personnel Department
- ◆ IT & Cyber Security
- ◆ Audit of Industry Specific Transactions
- ◆ Case Studies

ACIA – Enabling high class Internal Audit

Behind every successful business decision, there is always a **CMA**

Thank You