



# *Certificate in* **INTERNAL AUDITING FOR FINANCIAL INSTITUTIONS (CIAFIN)**



Attain CIAFIN and simplify the path to becoming a CBA (Certified Bank Auditor™), an internationally recognised qualification awarded by



# GENERAL INFORMATION

## Introduction

Developed by IBBM in consultation with senior audit practitioners, the Certificate in Internal Auditing for Financial Institutions (CIAFIN) is an introductory specialist professional qualification that would equip individuals with the prerequisite knowledge and skills to function more effectively as an internal auditor in a financial institution.

## Objectives

To enable individuals to gain knowledge and understanding of the:

- Malaysian financial system and its functions;
- legislation and guidelines governing the banking and financial institutions;
- ethical and professional standards in internal auditing;
- internal control framework;
- risk based auditing; and
- audit function.

## Course of Study

There are three areas of study:

- Malaysian Financial System, Legislation and Guidelines (30%)
- Internal Audit Framework (40%)
- Internal Audit Process and Techniques (30%)

## Assessment Structure

One 2-1/2 hour examination paper consisting of 100 multiple-choice questions to assess competency in the three study areas.

The pass mark is 75% and results will be expressed in grade bands.

## Eligibility

The CIAFIN qualification is open to all individual members of IBBM. There is no other entry requirement.

## Preparation for Examinations

Candidates prepare for the examinations through self-study using the study materials provided by IBBM upon first registration of examination.

However, candidates are strongly encouraged to attend related audit training programmes conducted either by IBBM or their respective financial institutions to enhance the knowledge acquired from their self-study effort.

## Frequency of Examination

Examination will be held once a year. The examination schedule will be published in IBBM's newsletter and website.

## Examination Centre

- Kuala Lumpur

## Advance Standing in CBA Certification

The Bank Administration Institute (BAI), USA offers the Certified Bank Auditor (CBA) certification which is recognised throughout the financial services industry as one of the certifications specific to bank auditors. The CBA certification programme consists of four parts:

- Part 1 – Accounting
- Part 2 – Auditing Principles and Bank Laws/Regulations
- Part 3 – Auditing Practices
- Part 4 – General Business

CIAFIN holders will be exempted from writing two (Parts 2 and 3) out of the four parts in the programme. In addition, CIAFIN holders who are Chartered Accountants (CAs) / Certified Internal Auditor (CIAs) / Certified Public Accountants (CPAs) can also apply for exemption from Part 1 and proceed to Part 4 of the programme.

For more information, visit [www.bai.org](http://www.bai.org).

*For details on the application for CBA exemption, please visit [www.ibbm.org.my](http://www.ibbm.org.my) or contact IBBM's Test Development Department at 03-20938803 ext 125.*

# SYLLABUS

## A. MALAYSIAN FINANCIAL SYSTEM, LEGISLATION AND GUIDELINES

### 1. The Malaysian Financial System

- 1.1 The banking system
- 1.2 Functions and responsibilities of the banking system : monetary and non-monetary institutions
- 1.3 Functions and responsibilities of non-bank financial intermediaries
- 1.4 Offshore banks (under LOFSA)

### 2. Financial Products and Services

- 2.1 Deposits
- 2.2 Loans and advances
- 2.3 Remittances
- 2.4 Treasury
- 2.5 Credit cards
- 2.6 Non-banking services
- 2.7 Delivery channels

### 3. Introduction to Islamic Banking

- 3.1 Shariah concepts and principles
- 3.2 Differences between conventional and Islamic banking systems

### 4. Legislation and Guidelines

- 4.1 Bank Negara Malaysia guidelines
- 4.2 Other Significant Guidelines and/or Circulars
- 4.3 Banking and Financial Institutions Act 1989
- 4.4 Exchange Control Notices
- 4.5 Bills of Exchange Act 1949
- 4.6 Companies Act 1965
- 4.7 Hire-Purchase Act 1967
- 4.8 National Land Code 1965
- 4.9 Unclaimed Monies Act 1965
- 4.10 Anti-Money Laundering and Anti-Terrorism Financing Act 2001
- 4.11 Bankruptcy Act 1967

## B. INTERNAL AUDIT FRAMEWORK

### 5. Definition of Internal Audit

- 5.1 Assurance activities
- 5.2 Consulting activities

### 6. Guidelines on Minimum Audit Standards for Internal Auditors for Financial Institutions (BNM/GP10)

- 6.1 Organisation of internal audit function
- 6.2 Duties and responsibilities
- 6.3 Scope of audit work
- 6.4 Reporting and documentation

### 7. Internal Control Framework

- 7.1 Corporate governance
- 7.2 Objective and purpose
- 7.3 Responsibility
- 7.4 Audit trail
- 7.5 Segregation of duties
- 7.6 Compliance with policies and procedures
- 7.7 Cost and benefit of controls

### 8. Critical Areas of Operations: Risk Assessment & Management

- 8.1 Credit operations
- 8.2 Treasury operations
- 8.3 Derivatives
- 8.4 Branch operations
- 8.5 Head office operations
- 8.6 Investment in debt and equity securities
- 8.7 Information systems
- 8.8 Insurance underwriting
- 8.9 Insurance claims
- 8.10 Business continuity management
- 8.11 Islamic banking
- 8.12 Outsourcing services
- 8.13 Compliance with Basel II

## C. INTERNAL AUDIT PROCESS AND TECHNIQUES

### 9. Management and Organisation of the Audit Function

- 9.1 Audit charter
- 9.2 Management of the Audit Department
- 9.3 Internal auditors' training
- 9.4 Communications with management, directors and others
- 9.5 Audit Committee
- 9.6 Risk ranking
- 9.7 Planning audit engagement
- 9.8 Audit tools and techniques
- 9.9 Audit evidence
- 9.10 Audit confirmation
- 9.11 Audit findings
- 9.12 Audit working papers
- 9.13 Problem-solving skills for internal auditors

### 10. Reporting Internal Audit Findings

- 10.1 Internal audit reports
- 10.2 Types of audit reports
- 10.3 Reporting of significant findings and frauds
- 10.4 The structure of the reports
- 10.5 Distribution of reports

# EXAMINATION ENROLMENT

## Enrolment Schedule

Candidates are required to submit their examination entries according to the schedule printed on the examination entry form.

## Examination Fee

New Candidate : RM200 per examination.  
Referral Candidate : RM150 per examination.

## Attendance And Results Notice

- **Attendance Notices** will be despatched to candidates two weeks before each examination sitting.
- **Examination results** will be issued in writing by post approximately 8 weeks after the examinations.

## Examination Entries

### • Changes

Any changes in a candidate's entry details for an examination must be made within 7 days after the enrolment closing date.

### • Withdrawal

Withdrawal from the examinations must be made in writing and submitted to IBBM within 7 days after the enrolment closing date.

### • Deferment

Deferment of examinations must be made in writing and submitted to IBBM within 7 days after the enrolment closing date.

### • Transfer

If a candidate is unable to attend the examination because of illness, a written application must be submitted together with medical evidence not later than 2 weeks after the examination.

An application approved for transfer of examination entries due to medical reason is subject to a fee of RM100.

**Candidates can request to either defer or transfer their examination entry only once to the immediate next sitting.**

## Important Notes To Candidates

- The decision of the Institute's Education Committee on all examination results is final. All **appeals** will NOT be considered and IBBM will not enter into any correspondence regarding review of examination results.

- Any candidate found guilty of **misconduct or contravention of examination instructions** will be liable to disciplinary action and may be disqualified from future examination sittings and removed from IBBM's membership register for life.

The candidate's employer will also be notified of his/her misconduct or contravention of the examination instructions.

- Candidates are advised to read IBBM's newsletter and check IBBM's website for updates on the examination syllabus and study manual, changes to the examination dates, rules, and procedures.

### Disclaimer

- IBBM reserves the right to amend a member's examination status to take cognizance of any changes or revision in the examination structure and syllabus.
- In the event that IBBM is unable to hold any of its scheduled examinations or that a candidate's answer sheet is lost or destroyed, for reasons beyond its control, IBBM's liability shall be limited to a refund of the examination fees paid.
- The information contained in this brochure is correct at the time of compilation. The Institute reserves the right to make alterations without notice to the material contained and described in this brochure.

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