

DIPLOMA IN INTERNAL AUDIT (DIA)



राष्ट्रीय वित्तीय प्रबन्धन संस्थान
National Institute of
Financial Management
मनुष्यवती भूमिरर्थः
An autonomous institution of Ministry of Finance, Govt. of India



**THE INSTITUTE OF
Company Secretaries of India**
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

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INTRODUCTION

In the scenario where the world is moving towards the objects of self-sufficiency, self-governance and self-reliance, the companies should also move to achieve self-regulation and governance towards better functioning and successful endeavours in coming future. Internal Audit is a mechanism to provide an independent and objective assessment of the effectiveness and efficiency of a company's operations, specifically its internal control structure. The function of internal audit helps an organization to accomplish its objectives by bringing systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The scope of internal auditing is broad and includes the efficiency of internal control, operations, IT controls, the reliability of financial reporting, deterring and detecting fraud and compliance with laws and regulations. This varied service requires systematic expertise and specialization in conducting internal audit.

Today, Company Secretary plays a pro-active and central role in the governance of the company. The Company Secretary guides the directors in their pursuit of profit and growth and acts with integrity and independence to safeguard the interest of various stakeholders.

Company Secretary being a key functionary in the corporate pyramid with expertise in vivid laws and Corporate Governance can lead the corporate with utmost excellence and efficiency in establishing self-regulation through internal audit. With increasing emphasis on the principles of good governance and compliances, Company Secretaries have a significant role to play. Their services lay foundation for strong systems and procedures which allow for regulatory and legal compliance and thereby facilitate the integration of effective internal audit, internal control and risk management practices for enhanced self Governance.

This Diploma in Internal Audit will open a vast world of opportunities for company secretaries in the field of internal auditing.



OPPORTUNITIES FOR COMPANY SECRETARY

Section 138 of the Companies Act, 2013 introduced the concept of internal audit to the forefront and has widened its scope to a great extent. The Act has made internal audit of the functions and activities mandatory for all listed companies and certain class of unlisted and private companies with a view to ensure better compliance and governance.

The Company Secretaries being governance professionals are aptly suitable to perform the role of internal auditors and have been inter-alia recognised to be appointed as internal auditors of the company under the provision of Companies Act, 2013.

Therefore, with a view to further develop the skills of Company Secretaries to conduct internal audit including compliance and operational audits, offering solutions for weaknesses in internal controls and verifying the subjective compliance of related laws and regulations, the Institute of Company Secretaries of India (ICSI) and National Institute of Financial Management (NIFM), Faridabad, an autonomous Institution of Ministry of Finance, Government of India, have joined hands to offer a Diploma in Internal Audit. This Diploma in Internal Audit will enhance the skills and knowledge of the members and thus augment their aptitude in demonstrating their knowledge and skills in internal auditing.

Eligibility Criteria

Only the members of the Institute are eligible for the admission to the course.

Registration

Members interested to apply for the course shall apply online through Institute's website at www.icsi.edu.

The members will be enrolled on first cum first served basis.

Fee Structure

Registration Fees (One time) : Rs.12,500 + Service tax
The fees will be paid online.

Course Structure

The Diploma in Internal Audit is advanced level course and will test a participant's knowledge of current internal auditing practices and understanding of internal audit issues, risks and remedies.

Duration of Course is 3 months.

Course Contents

The Course will introduce the participants to the process and techniques of internal audit.

Participants will be given case studies every week for self study. Self study course material shall also be made available online in downloadable format. Online virtual classes would be provided to the participants on weekends. The recording of the same will not be available for download.

Mode of Learning	No. of Hours	Purpose of Learning
Self Study	50 Hours	To develop conceptual understanding
Web based Training, preferably on weekend	50 Hours	To give sufficient Practical Knowledge

Attendance

Attendance of 60% is necessary in video lecture to sit in the examination.

Candidate who is not able to attend the class will be provided one chance to view the recorded video.

Examination/ Assessment

An online test / assignment will be conducted at the end of every course.

In case the participant is unable to qualify the online test in his first attempt, he will be given two more attempt (s) to appear and qualify the online test in subsequent batch (s) of the course. Non attempt of the examination shall also be counted as an attempt. There will be no separate examination fee.

Certification

The participants successfully completing the Course shall be awarded a Diploma Certificate to that effect by the Institute of Company Secretaries of India in association with National Institute of Financial Management.

COURSE CONTENTS

This course will introduce the participants to the internal audit and its processes–

Introduction and Evolution of Internal Audit

- Definition, Purpose, Authority and Responsibility of Internal Auditing
- Types of internal Audit
- Evolution and History of Internal Auditing
- Internal Auditor vs External Auditor or
- Soft Skills required by an Internal Auditor
- Role of Internal Auditor as a Management Member
- Role of Company Secretary as an Internal Auditor
- Strategic and Operational Role of Internal Audit

Practices related to Internal Auditing

- Standards on Internal Auditing – National and International
- Laws and Regulations on Internal Auditing –

- National and International
- Corporate / Organizational Governance Principles
- Corporate Social Responsibility
- Code of Ethics
- Environmental and Societal Safeguards
- Change Management
- Audit Practices in relation to the Accounting System
- SAP 6: "Study and Evaluation of the Accounting System and Related Internal Controls in Connection with an Audit."

Internal Controls

- Meaning and Definition of Internal Control

- Dimensions of Internal Control
- Types of Controls and Management Control Techniques
- Internal control schemes
- Internal Controls on the Accounting Function
- Elements and Basic Principles and Inherent Limitations
- Internal Control Frameworks (eg – COSO, Cadbury)
- Alternative Control Frameworks
- Role of Internal Auditors in Implementation of Internal Controls
- Risk Management
- Risk Vocabulary and Concepts
- Fraud

Risk Awareness

- Risk Management Techniques
- Enterprise Risk Management (ERM) Environment
- Financial Risk Management Risk/Control Implications of Different Organizational Structures
- Establishing a Risk-Based Internal Audit Plan
- Case Studies

Fraud Risks and Controls

- Common Types of fraud and Fraud Risks per Engagement Area
- Assessing Response to Engagement Area Fraud Risks
- Determining Need for Fraud / Investigation
- Process Review for Fraud Controls Improvement
- Detecting Fraud
- Culture of Fraud Awareness
- Interrogation / Investigative Techniques
- Forensic Auditing
- Due Diligence
- Case Studies

Planning and managing Internal Audit and Internal Audit Programme

- Internal Audit Plan
- Importance of Planning Internal Audit

- Factors for a good Audit Plan
- Stages for Internal Audit Planning
- Knowledge of the Business as an Integral Aspect
- Nature of Internal Audit Programme
- Advantages and Disadvantages
- Managing Individual Engagements – Plan and Supervise Engagements
- Use of Sampling Techniques and its Tests
- Flowcharts and internal control questionnaires
- Case Studies

Internal Audit Tools and Techniques

- Data Gathering
- Data Analysis and Interpretation
- Data Reporting
- Documentation / Work Papers
- Process Mapping including Flowcharting
- Evaluate Relevance, Sufficiency and Competence of Evidence
- Use of Technology in Internal Audit
- Steps in evaluation and its techniques
- Case Studies

Internal Audit of Specific Functions

- Inventory Management
- Production and Operations
- Marketing
- Finance and Accounts
- Human Resources

Internal Audit Reports

- Framework for Internal Audit Reports
- Report Writing – Communicating Engagement results
- Monitoring Engagement Outcomes
- Importance of working papers; CARO – Companies (Auditors Report) Order 2003.



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