



**UNIVERSITI TEKNOLOGI MARA**

**AUD571: INTERNAL AUDITING**

<b>Course Name (English)</b>	INTERNAL AUDITING <b>APPROVED</b>
<b>Course Code</b>	AUD571
<b>MQF Credit</b>	3
<b>Course Description</b>	The subject is to provide students with an overview of the development and future direction of the profession of internal auditing. The subject will focus on an appreciation of the role of the internal auditor in the modern organization with specific focus on their responsibility for risk assessment and corporate governance. It will also provide a practical understanding of system based auditing and other audit approaches.
<b>Transferable Skills</b>	Reflective Learner Resourceful and Responsible Effective Communicator Responsive Ethically and Socially Sensitive Creative and Innovative Tech Savvy Adaptable Independent and Critical Thinker Confident Systematically Inquisitive Solution Provider Experienced Collaborator Entrepreneurial Expert in the Field Balanced Graduate Intellectually, Spiritually and Emotionally
<b>Teaching Methodologies</b>	Lectures, Tutorial
<b>CLO</b>	CLO1 An in-depth knowledge of the role of the modern internal auditor. CLO2 A good understanding of the importance of the control environment within organization. CLO3 A practical understanding of the methods used to conduct an internal audit. CLO4 An understanding of the theory underlying the Standards for Professional Practice of Internal Auditing.
<b>Pre-Requisite Courses</b>	No course recommendations
<b>Topics</b>	
<b>1. Development of the Profession of Internal Auditing</b> 1.1) Overview of internal auditing 1.2) Differences between internal and external auditing 1.3) Evolution of internal auditing as a profession 1.4) The role of Institute of Internal Auditors (IIA) as an international body 1.5) The professional qualification – Certified Internal Auditor (CIA) 1.6) The IIA research foundation	
<b>2. Role of Internal Auditing in Corporate Governance</b> 2.1) Meaning of good corporate governance 2.2) Internal auditing as part of control 2.3) Internal auditing as an aid to management 2.4) Internal auditing and the audit committee 2.5) Internal auditing and board of directors 2.6) Regulation and guidelines affecting internal auditing function 2.7) Role of internal auditing in risk management	

<b>3. Ethics and the Internal Auditor</b> 3.1) IIA's code of ethics 3.2) Ethics and independence 3.3) The internal auditor as whistleblower 3.4) IIA approach to whistleblowing
<b>4. Behavioral Issues</b> 4.1) Staffing and skills 4.2) Marketing internal auditing function/ Outsourcing 4.3) Managing conflict in the internal auditing function
<b>5. Quality Assurance</b> 5.1) Applying the new quality assurance standard 5.2) Purpose, framework, and scope 5.3) External review 5.4) Self-assessment 5.5) Internal assessment 5.6) Consulting and advisory services 5.7) Overview of tools of quality assessment
<b>6. System and Risk Based Auditing</b> 6.1) Planning audit engagement (special reference to the interview techniques and documenting the audit) 6.2) Risk assessment – assessing risk 6.3) Risk and control evaluation 6.4) Testing, reporting and follow up 6.5) Audit sampling
<b>7. Internal Audit Report</b> 7.1) Process of report writing – timing, accuracy and perspective. 7.2) Drafting the audit report and the final discussion. 7.3) Distribution of reports. 7.4) Follow-up. 7.5) Post review of reports 7.6) Form and contents of audit report – internal auditor's responsibilities for reporting the results of audits with special reference to the standards 7.7) Writing style in audit report – clarity and conciseness 7.8) Do's & don'ts 7.9) Attractiveness
<b>8. Investigation of Fraud</b> 8.1) Employees and management frauds 8.2) Deterrence, detection, investigation and reporting of frauds 8.3) Fraud red flags 8.4) Frauds investigation techniques
<b>9. Using Technology in Internal Auditing</b> 9.1) Introduction 9.2) Auditing of system development 9.3) Auditing of e-commerce
<b>10. Current Issues in Internal Auditing</b> 10.1) Control self assessment 10.2) Outsourcing 10.3) Environmental audit

Assessment Breakdown	%
Continuous Assessment	40.00%
Final Assessment	60.00%

Details of Continuous Assessment	Assessment Type	Assessment Description	% of Total Mark	CLO
	Assignment	1. Control Self-Assessment. 2. Outsourcing. 3. Environmental Audit.	15%	CLO1 , CLO3 , CLO4
	Quiz	1. Role of the internal auditing in corporate governance. 2. Behavioral issues. 3. Quality assurance.	5%	CLO1 , CLO4
	Test	1. Development of the profession of internal auditing. 2. Ethics and the internal auditors.	10%	CLO1 , CLO2
	Test	1. System and risk-based auditing. 2. Internal audit report.	10%	CLO1 , CLO2 , CLO3 , CLO4

Reading List	Recommended Text	<ul style="list-style-type: none"> <li>Institute Of International Auditors 2013, <i>International Professional Practices (IPPF)</i>, 2013 ed Ed., The Institute of Internal Auditors Kuala Lumpur [ISBN: 9780894137013]</li> </ul>
	Reference Book Resources	<ul style="list-style-type: none"> <li>Mary Lee 2009, <i>Principles and Contemporary Issues in Internal Auditing</i>, 2nd ed Ed., 13, McGraw-Hill (Malaysia) Sdn Bhd Shah Alam [ISBN: 9789833850679]</li> </ul>
Article/Paper List	This Course does not have any article/paper resources	
Other References	This Course does not have any other resources	