

8-6

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October

2019

أرض الطبيعة

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أوراق عمل

مؤتمر شوري الثامن للتدقيق الشرعي

فندق جراند ميلينيوم – مسقط، عُمان

شريك تكنولوجيا
التمويل الإسلامي



راعيه ذهبي



بنك ظفار
Bank Dhofar



ميسرة
MAISARAH
للخدمات المصرفية الإسلامية
Islamic Banking Services

راعيه بلاتيني

المدينة تكافل
Al Madina Takaful



الراعي الرئيسي

بنك نزوى
Bank Nizwa



بالتعاون مع



تنظيم



شوري للاستشارات الشرعية
Shura Sharia Consultancy

مؤتمر شوري الثامن للتدقيق الشرعي

Shura 8th Sharia Audit Conference

6-8 أكتوبر 2019 - مسقط - عُمان

المحور الرابع

ضمان الجودة في التدقيق الشرعي

شريك تكنولوجيا
التمويل الإسلامي



راعي ذهبي



راعي بلاتيني



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شوري للاستشارات الشرعية
Shura Sharia Consultancy

Shura 8th conference Sharia Auditing
of Islamic Banks and Financial institutions
Grand Millennium hotel - Muscat, 6 - 8 October 2019



مؤتمر شورة الثامن للتدقيق الشرعي
على البنوك والمؤسسات المالية الإسلامية
فندق جراند ميلينيوم - مسقط، ٦-٨ أكتوبر ٢٠١٩

4th Session:

الجلسة الرابعة

Dr. Omar Ansari

Secretary General



الدكتور/ عمر أنصاري

الأمين العام

هيئة المحاسبة والمراجعة للمؤسسات المالية الإسلامية (الأيوبي)

Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)

ضمان الجودة في التدقيق الشرعي

Quality Assurance in The Sharia Audit

بالتعاون مع



تنظيم



شورى للاستشارات الشرعية
Shura Sharia Consultancy

شريك تكنولوجيا
التمويل الإسلامي



راعي ذهبي



راعي بلاتيني

المدينة Takافل
Al Madina Takafu



الراعي الرئيسي

بنك نزوى
Bank Nizwa



Quality Assurance in Internal Shari'ah Audit

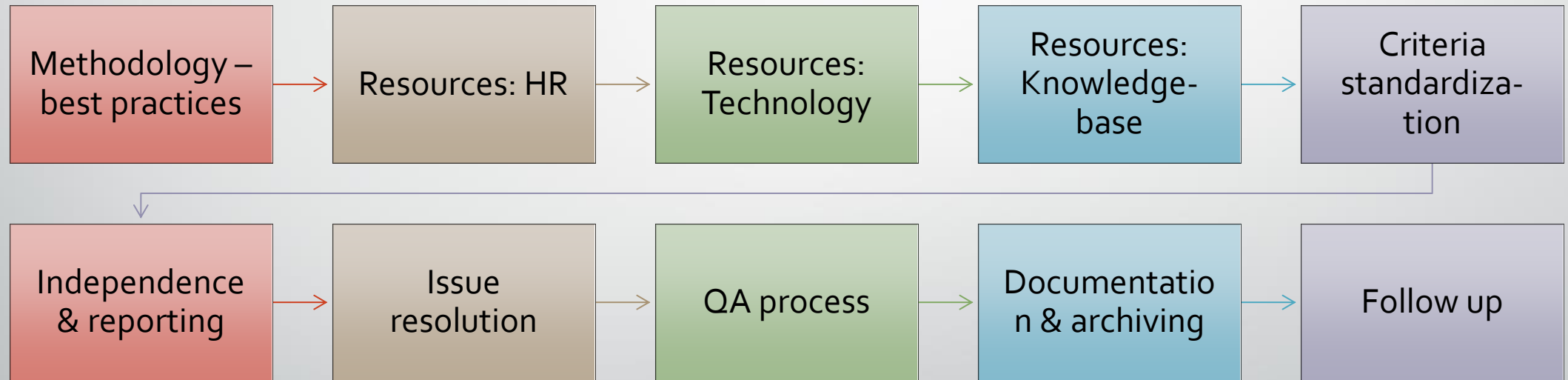
Presented by: Omar Mustafa Ansari

Secretary General, AAOIFI

Shura 8th Shari'ah audit conference, Muscat, Oman

6 October 2019

Key elements for QA in ISA



Methodology – best practices

1. Methodology – best practices

2. Resources: HR

3. Resources: Technology

4. Resources: Knowledgebase

5. Criteria standardization

6. Independence & reporting

7. Issue resolution

8. QA process

9. Documentation & archiving

10. Follow up

- First and the foremost requirement for QA in ISA is standardized practices in line with global best practices.
- AAOIFI Internal Shari'ah Audit standard, read with IIA standards provides the best solution for the same.

Resources: HR

1. Methodology – best practices

2. Resources: HR

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10. Follow up

- ISA is performed by humans
- The quality of HR is fundamental to the quality of ISA
- HR needs a mix – audit + Shari’ah (subject-matter expertise)
- Fit and proper test for the HISA is a must
- AAOIFI CIPA and CSAA address most of the HR needs

Resources: Technology

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2. Resources: HR

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10. Follow up

- Today's financial sector is technology based
- Lot of data available for audit is created by technology
- SA needs technology for:
 - Improving its own processes (SA software)
 - Ability to perform technology based audit (Computer based audit / computer assisted audit techniques) – at a minimum the general IT assessment

Resources: Knowledgebase

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10. Follow up

- Subject-matter and criteria for SA is too much detailed
- Having experts in the same is not easy
- Knowledgebase is a must, including:
 - Checklists and assessment criteria
 - Risks
 - Controls
 - Control tests
 - Tests of details / substantive tests

Criteria standardization

1. Methodology – best practices

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10. Follow up

- Quality SA needs a quality based criteria
- AAOIFI suggested criteria
 - AAOIFI SS
 - Regulatory Shari’ah requirements
 - CSB requirements
 - AAOIFI FAS (or other) accounting requirements related to Shari’ah
 - IFI’s SSB requirements
- Harmony of criteria – important and difficulties

Independence & reporting

1. Methodology – best practices

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10. Follow up

- Quality requires independence
- Independence cannot be ensured unless there is:
 - Objectivity (mind), and
 - Organizational status (independence from management)
- Reporting line and reporting process is an integral part of independence
- ISA shall report to:
 - Audit committee (those charged with governance) primarily, and
 - SSB – dotted line reporting and routine coordination

Issue resolution

1. Methodology – best practices

2. Resources: HR

3. Resources: Technology

4. Resources: Knowledgebase

5. Criteria standardization

6. Independence & reporting

7. Issue resolution

8. QA process

9. Documentation & archiving

10. Follow up

- Quality cannot be ensured unless there is a good issue resolution mechanism
- Audit committee and SSB to play their roles
- Audit is half the process, issue resolution completes it

QA process

1. Methodology – best practices

2. Resources: HR

3. Resources: Technology

4. Resources: Knowledgebase

5. Criteria standardization

6. Independence & reporting

7. Issue resolution

8. QA process

9. Documentation & archiving

10. Follow up

- There must be a QA process internally (within ISA function)
- QA mechanism shall be built in the processes
- IIA QAIP shall be followed
- For external SA ISQC 1 shall be followed

Documentation and archiving

1. Methodology – best practices

2. Resources: HR

3. Resources: Technology

4. Resources: Knowledgebase

5. Criteria standardization

6. Independence & reporting

7. Issue resolution

8. QA process

9. Documentation & archiving

10. Follow up

- Audit QA can never be ensured unless documentation and archiving mechanism is in place
- Documentation shall be of utmost quality, fully supporting
 - Work done
 - Conclusions reached
 - Evidence to support conclusions and resolutions
 - Evidence of QA process (including reviews)
- Archiving best practices shall be followed, including no changes after archiving
- Archives shall be maintained for a reasonable period of time

Follow up

1. Methodology – best practices

2. Resources: HR

3. Resources: Technology

4. Resources: Knowledgebase

5. Criteria standardization

6. Independence & reporting

7. Issue resolution

8. QA process

9. Documentation & archiving

10. Follow up

- Audit points need follow up for:
 - Resolution and improvement in IFI practices, and
 - Risk assessment and identification of issues for the subsequent audits
- Follow up shall be based on a standardized practices, including assignment of responsibilities and accountability

Thank you