



# Internal Audit Practicing Certificate

Paper 1

Duration of Examination: 3<sup>1/2</sup> hours

**OBJECTIVE:** -The object of this paper is to test: - the ability to identify controls and weaknesses in a specific procedure and the likelihood of inefficiencies and ineffectiveness, the ability to prepare internal control and substantive tests, the ability to evaluate the internal control system, the understanding of detailed flowcharting and the ability to understand certain terms used in practice and their meaning.

## SYLLABUS

### 1. DETAILED FLOWCHARTING

Methodology applied, use of signs for the preparation, approach in the collection and recording of information received,

### 2. RISKS

Identify potential risks per segment of operations, prioritizing potential effect

### 3. TYPES OF TESTS

Discrimination between compliance and substantive, the objectives for each type of test, understand the relationship between the two,

### 4. IDENTIFICATION OF CONTROLS

Discrimination between preventive and detective controls, their importance and effect upon risks (weaknesses) identified, evaluate apparent reliability on existing internal control system, decide which controls should be tested, decide the extent of tests to be performed discriminating between compliance and substantive tests.

### 5. AUDIT PROGRAMME FOR TESTS OF CONTROLS

Preparation of audit program for testing controls (compliance tests), evaluate the internal control system

### 6. AUDIT PROGRAM FOR SUBSTANTIVE TESTS

Decide the extend of tests to be performed, ability to justify the extend decided upon, prepare audit programs, ascertain reliability of the internal control system

### 7. EVALUATE INTERNAL AUDTI SYSTEM

Ability to assess the results from both compliance and substantive tests for evaluating the reliability of the existing internal control system, make proposals for its improvement

### 8. INTERNAL AUDIT PLAN

Prepare annual audit plan, prioritize areas to be audited, prepare budgets for each area to be audited