

# Managing the Shariah Audit of Islamic Banks

21st & 22nd Feb, 2012 - Kuala Lumpur

## OBJECTIVES

- To understand the requirements for the Shariah Governance Framework.
- To plan for a proper and effective Shariah Audit function.
- To plan for the mandatory annual Shariah audits of the Bank's compliance
- To design the audit programme to test for Shariah non-compliance.
- To integrate the "Guideline for the Internal Audit Function for Licensed Institutions" and COSO with the Islamic banking regulations for Shariah compliance.
- To understand the end-to-end process of an audit on the Shariah Compliance of the IFB.

This proactive course will prepare novice and experienced internal auditors including Shariah secretariat staff to understand, prepare and carry out Shariah Audits or reviews effectively; and will be based on the current Bank Negara Malaysia guidelines on Islamic banking. The course is suitable for Islamic banking auditors and executives in other jurisdictions of South East Asia as the Bank Negara Malaysia blueprint is inherently principle-based and can be easily adopted elsewhere.

Given his wide hands-on experience in leading internal audits and in strategic planning, the course leader is well positioned to help attendees devise strategies to meet and exceed the banking requirements despite the usual resource constraints faced by many internal audit functions.



**Register Now.** Contact the Columbus Marketing Team.

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The course will cover the entire end-to-end requirements of managing a Shariah audit and in line with international auditing standards. As such, it is very informative for Shariah officers or risk management officers who have no knowledge of the internal auditing function. It is suitable for full fledged Islamic banks as well as for conventional banks with Islamic banking windows.

## Day 1

### Introduction

- The legal basis for Islamic banking in the Malaysian context
- Definition of the Shariah Audit(s).
- Bank Negara Malaysia's Guideline on Shariah Governance Framework
- Bank Negara Malaysia's "Guideline on Corporate Governance for Licensed Islamic Banks" or (GP-1).
- Other Bank Negara Malaysia guidelines on Islamic Banking.
- The Environment for an effective Shariah Audit
  - Islamic Bank Structure
  - Islamic banking audit tools
  - Islamic Reviews
  - Islamic Risk Management
- Case studies
- Identifying the risks faced by Shariah auditors and their proposed solution
- The skills required of a Shariah Auditor.
- Incorporating COSO framework into the Shariah Audit.

### Preparing the Shariah Audit Plan

- Risk mapping
- The Format
- The Audit Plan

## Day 2

- Brief review of previous day's learning points
  - The Legal Basis
  - Guideline on Shariah Governance Framework for Islamic Licensed Institutions. (BNM/RH/GL\_012\_3)
  - Guideline on Corporate Governance for Islamic Licensed Institutions. (BNM/RH/GL 002-1)
- Devising the Shariah Audit Programme.
  - Group Exercise
  - Group exercise handouts
- Conducting and Integrating Supporting Audits
  - The Credit Audit - Common audit issues.
  - Product Development Audit
  - The Human Resource Audit
- Case Study
- The Shariah Review
  - Objectives and scope
  - Methodology.
  - Rating the Shariah Review.
  - Reporting to Management and Shariah Committee
  - Implementing the Shariah Audit Recommendations
  - Responsibility
  - Reporting to Management and the Shariah Committee.
  - Reporting to the Board of Directors.
  - Reporting to Bank Negara Malaysia

*Presenter* **David Leong** is a chartered accountant, certified internal auditor (CIA) and for some time held an ACIB associate membership with the Chartered Institute of Bankers and the CFP membership with the Financial Planning Association of Malaysia. He has 31 years of banking experience of which 24 years were with a global banking giant and the last 7 years were with an international Islamic bank from the Middle-east. David graduated from Victoria University of Wellington, New Zealand in 1978 with a bachelor's degree in accountancy. He also has an MBA qualification from the highly-rated Henley Management College in Henley-on-Thames, UK.

David is also certified by the IIA to conduct quality assurance reviews of internal audit functions. He will share with you the IIA standards and principles which you can use to substantiate your decisions for real world situations

David was the well-respected Chief Audit Executive of firstly a conventional bank and subsequently an Islamic bank over

a period of 10 years (2001 to 2011). Before that, he was the Risk Manager and the Strategic Planner responsible for helping top management manage his bank out of the effects of the Asian Financial Crisis in 1997-2000.

Well known for his innovativeness, strategic thinking and inspirational leadership abilities in green field assignments, his wide experience also covers very successful managerial stints in branch operations, trade finance, credit management, marketing, branch management and Sarbanes Oxley project management.

His Islamic banking experience covers forefront advisory positions in corporate governance, choosing the IT core-banking system, product development, setting up of the bank policies and procedures as well as dealing with operational, credit, investment, fund management, ethics and other issues. He was also a champion speaker and the 1996 president of the Labuan Toastmasters Club.

Date: **21st & 22nd  
Feb 2012**

Venue:  
**JW Marriott, Kuala Lumpur**

Fee: **RM1750** ;

**Registration : 9.00am**  
**End : 4.30pm**

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50480 Kuala Lumpur, Malaysia.**

## REGISTRATION FORM

### Managing the Shariah Audit of Islamic Banks

JW Marriott, Kuala Lumpur      21st & 22nd Feb 2012      RM1750  
All options inclusive of course materials & refreshments.

Payment Method: Payment must accompany registration and may be by cheque or bank draft.

Cheque: Made payable to **Columbus Circle Governance Sdn Bhd**

**Address: D-3-8 Plaza Damas, 60 Jalan Sri Hartamas, 50480 Kuala Lumpur, Malaysia.**

Participants to be registered:

- Name \_\_\_\_\_ Position \_\_\_\_\_  
Email \_\_\_\_\_ Telephone \_\_\_\_\_
- Name \_\_\_\_\_ Position \_\_\_\_\_  
Email \_\_\_\_\_ Telephone \_\_\_\_\_
- Name \_\_\_\_\_ Position \_\_\_\_\_  
Email \_\_\_\_\_ Telephone \_\_\_\_\_

Name of Organisation \_\_\_\_\_

Contact person \_\_\_\_\_ Position \_\_\_\_\_

Address \_\_\_\_\_

Tel \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_

Signature \_\_\_\_\_ Position: \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_ (This booking is invalid without a signature).

Confirmation Details: After receiving payment a receipt will be issued. If you do not receive a letter outlining joining details two weeks prior to the event, please contact us.

**INDEMNITY:** Should for any reason, the venue or speakers change, or the event be cancelled due to an act of terrorism, extreme weather conditions, government requirement or industrial action, CCG shall endeavor to reschedule but the client hereby indemnifies and holds CCG harmless from and against any and all costs, damages and expenses, which are incurred by the client. The construction, validity and performance of this Agreement shall be governed in all respects by the laws of Malaysia to the exclusive jurisdiction of whose courts the parties hereby agree to submit.

#### Terms & Conditions

1. Fees are inclusive of programme materials and refreshments. 2. Payment Terms: Following completion and return of the registration form, full payment is required. PLEASE NOTE: payment must be received prior to the event date. A receipt will be issued on payment. Due to limited space, we advise early registration to avoid disappointment. A 10% cancellation fee will be charged under the terms outlined below. We reserve the right to refuse admission if payment is not received on time. Unless otherwise stated on the booking form, payment must be made in Ringgit Malaysia or US\$. 3. Cancellation/Substitution: Provided the total fee has been paid, substitutions at no extra charge up to 14 days before the event are allowed. Cancellations must be received in writing by mail or fax 14 days before the event date, in order to obtain a full credit for any future CCG conferences and workshops. Thereafter, the full conference fee is payable and is non refundable. Non-payment or non-attendance does not constitute cancellation. By signing this contract, the client agrees that in case of dispute or cancellation of this contract that CCG will not be able to mitigate its losses for any less than 10% of the total contract value. If, for any reason, CCG decides to cancel or postpone this workshop, CCG is not responsible for covering airfare, or other travel costs, nor any consequential loss, incurred by clients. The event fee will not be refunded, but can be credited to a future conference. Event programme content and venue is subject to change without notice. 4. Copyright: All intellectual property rights in all materials produced or distributed by CCG in connection with this event is expressly reserved and any unauthorized duplication, publication or distribution is strictly prohibited. 5. The organiser reserves the right to change any details or speakers of the event without prior notice. Organised by Columbus Circle Governance Sdn Bhd 730656X