

Muzakarah Penasihat Shariah Kewangan Islam Kali ke-12



Sesi 4: Syariah Audit - Teori dan Pelaksanaan

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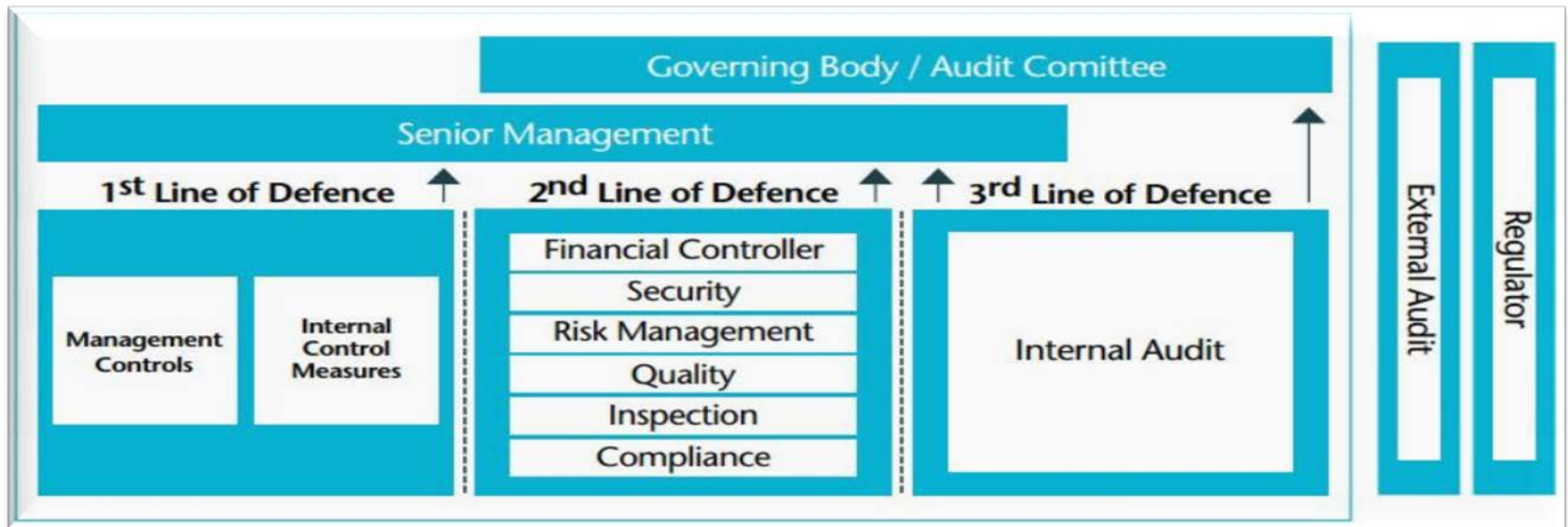
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3 Emerging Questions of Shari'ah Audit for IFIs:

1. To what extent the present internal Shariah audit function as the 3rd line of defence for the IFIs is effective?
2. What is the impact of the absence external Shariah audit function on the credibility and integrity of IFIs?
3. What is the impact of professional education gap of Shariah auditors on the Shariah compliance of IFIs?

Shariah Audit & 3 Lines of Defence Model



- ❑ In 2011, the Shariah Governance Framework was introduced by BNM & Internal Shariah audit was made a requirement for all IFIs in Malaysia. After 6 years, to what extent internal Shariah audit is effective? Is 3rd line of defence for IFIs in Malaysia is robust enough?
- ❑ So far no specific guidelines for Internal Shariah audit or Shari'ah Audit Framework issued by BNM. As a result, the practices are varied with some IFIs are more robust than others. If high number of SNC findings due to robust Shariah audit function, it may lead regulatory impacts.
- ❑ How about External Shariah audit? What is the impact on the credibility and integrity of IFIs if only internal but without external Shari'ah audit?

The Needs for External Shari'ah Audit...

	INTERNAL SHARI'AH AUDIT	EXTERNAL SHARI'AH AUDIT
SCOPE	<p>Broader focus may include but not limited to:</p> <ol style="list-style-type: none"> 1. Internal Shari'ah control 2. Shari'ah matters of the financial statements & IT system 3. People, Products & processes 4. Shari'ah governance 5. Shari'ah non-compliance risk management 	<p>Same as Internal Shari'ah audit but with more specific focus</p>
OBJECTIVES	Internal Shari'ah assurance & value add	External Shariah assurance with higher level of independence and objective assurance
GOVERNANCE	Responsible to the Board of Directors & the Shari'ah Committee	Responsible to the Board of Directors & the Shari'ah Committee
REPORTING	Board Audit Committee & Shari'ah Committee.	Board Audit Committee & Shari'ah Committee.
REGULATION	Internally regulated with supervision of BNM	Mandate? Who are external Shari'ah auditors? What are the requirements?

Why do we desperately need Shari'ah audit education?

Necessary qualification of Shari'ah audit professionals

Current situation

Basic skill set to audit Islamic banking products

Future

Comprehensive understanding of Islamic finance, auditing and Shari'ah principles

Necessary education to equip internal and external auditors

The emerging needs for Islamic/Shari'ah principles for audit professionals and others

Shari'ah principles

+ Finance & auditing knowledge

Required knowledge for Shariah auditors:

- *Usul fiqh* relevant to *fiqh muamalat*
- Sources of Shariah
- Principles of Islamic financial contracts
- Prohibited elements in Islamic financial contracts
- Islamic financial contracts relevant to IFIs in Malaysia.

Curriculum innovation

Skills enhancement

Needs for a Comprehensive Curriculum for Shariah Auditors

Specialization in Islamic finance & auditing

Shariah esp Fiqh Muamalat