



INTERNAL AUDIT REPORT PREPARATION

FOR FINANCIAL INSTITUTIONS

Commercial / Islamic Banks, Digital Banks, Microfinance Banks, EMIs, Asset Management Companies, Exchange Companies, Insurance Companies, Brokerage Houses, and other Financial Institutions

Including:

- Focusing on the standard framework governing IIA Global Internal Audit Standards (2024)
- SBP requirements for Internal Audit reporting
- Applicability of SECP requirements



INVESTMENT:
RS. 45,000

PROGRAM OVERVIEW

This practical workshop on Internal Audit Report Preparation – For Financial Institutions, is designed to strengthen participants' ability to prepare clear, objective, risk-focused, and regulator-aligned internal audit reports. It covers the IIA Global Internal Audit Standards (2024), SBP requirements, and relevant SECP requirements, while taking participants through the complete reporting process—from audit evidence and identification of findings to root-cause analysis, risk assessment, recommendations, management responses, escalation, and follow-up.

Through practical banking-sector examples covering credit/loan documentation, IFRS 9/ECL, KYC/AML, treasury, digital banking, IT controls, branch operations, capital adequacy, liquidity, and fraud controls, participants will develop hands-on skills for writing effective audit findings and producing high-quality final reports.

WHO SHOULD ATTEND

The workshop is particularly relevant for professionals involved in audit reporting, risk assessment, management responses, escalation, and follow-up of audit findings.

- Internal Audit Professionals & Auditors
- Audit Executives (AEs) & Audit Managers
- Risk Management & Compliance Professionals
- Banking and Financial Institution Professionals
- Audit Committee / Board Secretariat Professionals
- Governance & Internal Control Professionals
- Regulatory Compliance Officers
- Professionals responsible for preparing, reviewing, or following up on Internal Audit Reports



Date:
27th November 2026



Venue:
Movenpick Hotel, Khi



Training Facilitator

SYED AHSON ALI

Partner - ESG | Climate Change & Sustainability Reporting KPMG in Pakistan

Syed Ahson Ali Shah is the Partner at KPMG and Country Lead of ESG in Pakistan. He is an FCA and an MBA with 18 years of expertise and also holds degrees in chemical engineering and computer engineering. He is a member of the Global ESG CoE and KPMG MESA Digital and Innovation Committee and also serves as the ESG Champion for KPMG EMA on several KPMG platforms.



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WORKSHOP OUTLINE

Module Name	Sub-Modules	Description
Regulatory and professional basis for Internal Audit reporting in Pakistan's Banking sector	IIA Global Internal Audit Standards (2024)	The 2024 Standards as the applicable IIA framework, focusing on the standards governing communication of engagement results (IIA requirement)
	SBP requirements for Internal Audit reporting	Reporting requirements for the Internal Audit Function under SBP's Guidelines on Internal Audit Function and the Corporate Governance Regulatory Framework (2021), including Board Audit Committee (BAC) oversight of reporting (SBP requirement)
	Applicability of SECP requirements	Applicability of the SECP Listed Companies (Code of Corporate Governance) Regulations, 2019 to listed banks/DFIs, to the extent not in conflict with the BCO 1962, Prudential Regulations or SBP instructions
The core reporting flow	From audit evidence to final report	End-to-end reporting chain: audit evidence → finding/observation → criteria → condition → root cause → risk/impact → recommendation → management response → action plan → final report → follow-up
	Mapping the flow to report sections	How each element of the flow maps to the corresponding section of the written report
Structure and elements of the Internal Audit report	Report structure aligned with objectives and scope	Aligning the report with the objectives and scope communicated at planning
	Minimum contents of a banking internal audit report	Executive summary, scope, observations, root cause, recommendations and management comments
	Final engagement communication	Required elements and form of the report communicating engagement results
Writing audit findings – criteria, condition and evidence	Criteria and condition	Comparing established criteria (regulation, SBP prudential requirement, policy) with the condition observed to establish a finding, e.g. credit/loan documentation or KYC/AML exceptions
	Sufficient, reliable and relevant evidence	Evidence supporting factually accurate findings, e.g. reconciliations or user access reviews
	Discussion of draft findings with management	Recording discussions and agreed facts with the auditee before finalising the report
IIA Global Internal Audit Standards – Structure and Applicability	Five Domains of the 2024 Standards	Introduction to the structure of the Global Internal Audit Standards, effective 9 January 2025 and superseding the 2017 IPPF, as the current applicable IIA framework (IIA requirement)
	Domains I & II – Purpose, Ethics and Professionalism	Discussion on the integrity, objectivity and competency principles that internal auditors must bring to their work and that underpin credible reporting
	Domains III & IV – Governing and Managing the Internal Audit Function	Discussion on the Chief Audit Executive's accountability to the Board/Audit Committee and the internal quality assessment and improvement program that safeguards reporting quality





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Module Name	Sub-Modules	Description
Root cause, risk, significance and risk rating	Root cause analysis	Identifying underlying causes, including contributing factors such as staffing, process or system gaps
	Risk, impact and significance	Evaluating each finding's risk, impact and significance for reporting, e.g. capital adequacy, liquidity or treasury exposures
	Risk rating of findings	Assigning finding-level ratings (e.g. High/Medium/Low) per the FI's audit manual; a professional practice matter, as no specific rating methodology is mandated by SBP
	Recommendations	Constructive recommendations linked to root cause that close the criteria-condition gap
	Management responses and disagreements	Recording management's response/action plan and documenting disagreements, with CIA/BAC escalation where views differ
Recommendations, management responses and action plans	Responsible persons and target dates	Elements of a monitorable corrective action plan — ownership and realistic target implementation dates
Engagement conclusions and overall opinion	Engagement conclusions	Forming and expressing an overall conclusion against engagement objectives
	Rating and opinion summary	Presentation of engagement-level and finding-level ratings, noting rating scales are recommended good practice and are not mandated
Report review, quality and documentation	Engagement supervision and review	Oversight and review of engagement communications before issuance
	Engagement documentation	Workpapers supporting findings, conclusions and the final report
	Quality of communications	Ensuring communications are accurate, objective, clear, concise, constructive, complete and timely
Communicating engagement results	Communication to auditee and Senior Management	Final engagement communication and management's remedial response
	Reporting to the Board Audit Committee and the Board	Summary of findings, themes and trends reported to the BAC and Board
	Errors and omissions	Communicating corrected information promptly where a final communication contains a significant error or omission





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Module Name	Sub-Modules	Description
Escalation - significant findings, regulatory breaches and risk acceptance	Significant/high-risk findings	Immediate reporting and escalation of significant control breaches to the CIA, BAC and CEO
	Regulatory violations/non-compliance	Distinguishing regulatory breach reporting from general control findings, e.g. regulatory reporting or AML breaches
	Communicating the acceptance of risks	Escalating unresolved, unacceptable risk to Senior Management and the Board
Repeat and overdue findings	Repeat/recurring findings	Reporting control breaches of a critical nature recurring across audit periods
	Outstanding/overdue observations	Regular reporting of the implementation/compliance status of open observations to the BAC
	Escalation where action is inadequate	CIA/BAC escalation for weak or ineffective action plans
Follow-up, monitoring and closure reporting	Confirming implementation of recommendations	Monitoring completion and effectiveness of agreed action plans
	Follow-up mechanism	Monitoring, validation and escalation of outstanding audit findings
	Closure criteria and record keeping	Closure of observations and secure filing, indexing and retention of reports and working papers
Practical application - report writing across banking areas	Credit/loan documentation and IFRS 9 / ECL	Sample finding, root cause, risk rating and recommendation write-ups
	KYC/AML, treasury, digital banking, IT general controls and user access	Sample finding, root cause, risk rating and recommendation write-ups
	Branch operations, reconciliations, capital adequacy, liquidity and fraud controls	Sample finding, root cause, risk rating and recommendation write-ups
Quick Recap		Overview of the areas covered in the training
Questions and Discussions		

