



LEARNING
RESOURCE
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INTERNAL AUDIT REPORT PREPARATION

NON-BANKING SECTOR

Focusing on:

- Standard Framework Governing IIA Global Internal Audit
- Companies Act, 2017
- SECP's regulatory mandate



WORKSHOP OVERVIEW

This workshop is designed to strengthen participants' ability to prepare clear, objective, evidence-based, and regulatory fraud and effective Internal Audit Reports within Pakistan's Non-Banking Sector. It covers the applicable legal framework, including SECP requirements, corporate governance provisions, and the IIA Global Internal Audit Standards.

Participants will explore the complete audit reporting process—from planning, defining scope and objectives, and developing audit findings to identifying root causes, assessing risk and significance, formulating recommendations, documenting management responses, and communicating results to Senior Management, Audit Committees, and Boards.

The workshop also emphasizes report quality, follow-up and closure of findings, escalation of significant or overdue observations, and practical report-writing applications across key non-banking processes such as procurement, revenue, payroll, treasury, IT controls, cybersecurity, tax compliance, and fraud controls.

WHO SHOULD ATTEND?

This workshop is designed for professionals involved in internal audit, governance, risk management, and regulatory compliance within the SECP-regulated entities:

- Internal Audit Managers, Officers, and Team Leaders
- Audit Committee members and Board-level professionals
- Risk Management and Compliance professionals
- Governance and Internal Control professionals
- Finance and Accounting professionals involved in audit and reporting
- Professionals responsible for preparing, reviewing, communicating, or following up on internal audit reports.

The workshop is particularly relevant for professionals who want to strengthen their skills in audit findings, root-cause analysis, risk assessment, recommendations, management responses, and effective communication of audit results.



Date:
10th December 2026



Venue:
Movenpick Hotel, Karachi



Investment:
Rs. 45,000

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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Module Name	Sub-Modules	Description
Legal and Regulatory Framework for Internal Audit in Pakistan's Non-Banking Sector	Companies Act, 2017	Discussion on statutory requirements for maintenance of books of account and financial statement preparation/audit under the Companies Act, and how these create the basis for financial-control-related audit findings
	SECP's regulatory mandate	Explanation of SECP's role as the source of Corporate Governance Regulations/Rules that shape Internal Audit's mandate and reporting lines across different classes of non-banking entities
	Applicability by entity type	Discussion on how the applicable governance framework differs for listed companies, public sector companies, SECP-regulated financial entities and private/unlisted companies, so auditors reference the correct regime in their reports
Listed Companies (Code of Corporate Governance) Regulations, 2019 – Audit Committee and Internal Audit	Audit Committee – Terms of Reference (Reg. 27)	Explanation of the Audit Committee's mandatory oversight of Internal Audit's scope, plan and reports, its coordination role between internal and external audit, and the confidential staff-reporting channel it must maintain (SECP requirement – listed companies)
	Internal Audit Function (Reg. 31)	Discussion on the mandatory establishment of an Internal Audit Function in every listed company, and the Head of Internal Audit's functional reporting line to the Audit Committee versus administrative reporting to the CEO (SECP requirement – listed companies)
	Board-level reporting of audit results (Reg. 14)	Discussion on the categories of internal audit findings – including fraud, bribery, corruption or irregularities of a material nature – that must be placed before the Board (SECP requirement – listed companies)
Public Sector Companies (Corporate Governance) Rules, 2013 – Internal Audit Reporting	Board and Audit Committee oversight	Discussion on how these Rules strengthen internal control mechanisms and mandate Audit Committee oversight of Internal Audit in public sector companies (SECP requirement – public sector companies)
	Reporting of internal audit findings to the Board	Explanation of the governance reporting lines and escalation expectations that are specific to public sector entities
SECP Sector-Specific Governance Frameworks (Entity-Specific)	Non-Banking Finance Companies (NBFCs)	Overview of the NBFC (Establishment and Regulation) Rules, 2003 and NBFC & Notified Entities Regulations, 2008, and the governance code an NBFC follows for Internal Audit and Audit Committee purposes (SECP requirement – NBFCs only)
	Insurance/Takaful companies	Overview of the Insurance Ordinance, 2000 and the Code of Corporate Governance for Insurers, 2016, and their implications for Internal Audit reporting in insurance/takaful companies (SECP requirement – insurers only)
	Modarabas and REIT Management Companies	Overview of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the REIT Regulations, 2015, and how each shapes Internal Audit's mandate for the respective entity (SECP requirement – applicable entity only)





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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
Audit Planning, Independence and Engagement Communication	Internal Audit Charter and reporting lines	Discussion on how the Internal Audit Charter establishes functional reporting to the Audit Committee, and why this matters for the credibility of audit reports
	Independence and objectivity of internal auditors	Discussion on the IIA Code of Ethics and Domain II principles as they apply to maintaining impartiality when writing and finalizing findings
	Engagement Communication, Risk Assessment, Objectives and Scope	Explanation of the planning-stage requirements agreeing objectives, scope and risk focus that must be reflected consistently in the final report
Structure of the Internal Audit Report	Minimum contents of an audit report	Walkthrough of the standard components of an audit report executive summary, scope, findings, root cause, recommendations and management comments – and how each section should read
	Final Engagement Communication	Explanation of the required elements and form of the report that communicates final engagement results to stakeholders
	Aligning report structure with planning documents	Discussion on ensuring the final report stays consistent with the objectives and scope communicated at planning stage
Developing Audit Findings – Criteria, Condition and Evidence	Criteria and Condition	Explanation of how to compare the established criteria (what should be) against the existing condition (what is) to identify and articulate a potential finding
	Gathering sufficient, reliable evidence	Discussion on the standard of evidence needed to support a finding so that it withstands management challenge and audit review
	Discussion of draft findings with management	Practical guidance on discussing and recording draft findings with the auditee before the report is finalized, to ensure factual accuracy





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Root Cause, Risk and Significance of Findings	Root cause analysis	Techniques for identifying the underlying cause of a control weakness rather than only describing its symptom, using the audit report to drive lasting corrective action
	Assessing risk, impact and significance	Discussion on how to evaluate and articulate the risk, financial/operational impact and overall significance of a finding for the reader of the report
	Risk rating of findings	Discussion on risk-rating scales used in practice to prioritize findings, noting this is an organization-specific methodology rather than an IIA or SECP mandate
Recommendations, Management Response and Action Plans	Recommendations and Action Plans	Discussion on risk-rating scales used in practice to prioritize findings, noting this is an organization-specific methodology rather than an IIA or SECP mandate
	Management comments and disagreements	Discussion on how to record management's response, including disagreement, and the escalation route where views cannot be reconciled
	Responsible persons and target dates	Practical guidance on drafting an action plan that is specific, assigned and time-bound enough to be tracked to closure
Engagement Conclusions and Report Quality Review	Engagement Conclusions	Guidance on forming and expressing a clear overall judgment on the area audited, distinct from the individual findings
	Engagement Documentation and supervision	Discussion on the workpaper review process that ensures every finding and conclusion in the report is properly supported before issuance
	Quality assurance of audit reports	Discussion on the internal review/sign-off mechanism used to check a report against the function's quality standards before release
Communicating Engagement Results	Qualities of effective communication	Discussion on writing reports that are accurate, objective, clear, concise, constructive, complete and timely, with examples of each quality in practice
	Communication to auditee and Senior Management	Guidance on tailoring the final communication and tone for the auditee and Senior Management audience
	Reporting to the Audit Committee/Board	Discussion on summarizing findings, themes and trends for Audit Committee/Board reporting, per the Committee's terms of reference (SECP requirement – listed and public sector companies)





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Module Name	Sub-Modules	Description
Reporting Significant Findings, Regulatory/Legal Breaches and Risk Acceptance	Significant/high-risk findings	Discussion on how and when significant findings including fraud, bribery, corruption or material irregularities must be escalated and reported to the Board (SECP requirement – listed companies)
	Communicating Risk Acceptance	Discussion on the internal auditor's responsibility to escalate an unresolved, unacceptable level of risk to Senior Management and the Board
	Regulatory/legal breaches and control deficiencies	Guidance on distinguishing the reporting of a regulatory/legal breach from a routine control finding, and why the distinction matters for the reader
Repeat and Overdue Findings	Identifying repeat/recurring findings	Discussion on recognizing when a control deficiency has recurred across audit periods despite an earlier recommendation, and how to flag this in the report
	Reporting outstanding/overdue observations	Guidance on the periodic reporting of implementation status to the Audit Committee so overdue items remain visible
	Escalation where management action is inadequate	Discussion on escalating cases where an action plan is vague or has proven ineffective in resolving the underlying issue



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