

CAIB Examination

Advanced Bank Management Module D Unit 27 – Compliance Audit – Part 1



CAIIB 2024 Master Course

ABM + BFM + ABFM + BRBL



20+
Live Classes



400+
Concept Classes



150+
Chapter-wise Tests



20
Full-length Tests



Kuldeep Sir
Super Mentor



Nishant Sir
ABFM Expert



Surender Sir
BFM Expert



Megha Mam
BRBL Expert



Kinshuk Sir
ABM Expert



FLAT **75%** **OFF**

USE CODE **CAIIB75**

WHY NEED OF AUDIT?

- Market discipline has been given due importance under **Basel II** framework on **capital adequacy** by recognizing it as one of its three pillars.
- RBI in **Master Circular - Disclosure in Financial Statements - Notes to Accounts** has advised that a summary of '**Significant Account Policies**' and '**Notes to Accounts**' should be shown under **Schedule 17** and **Schedule 18** respectively.

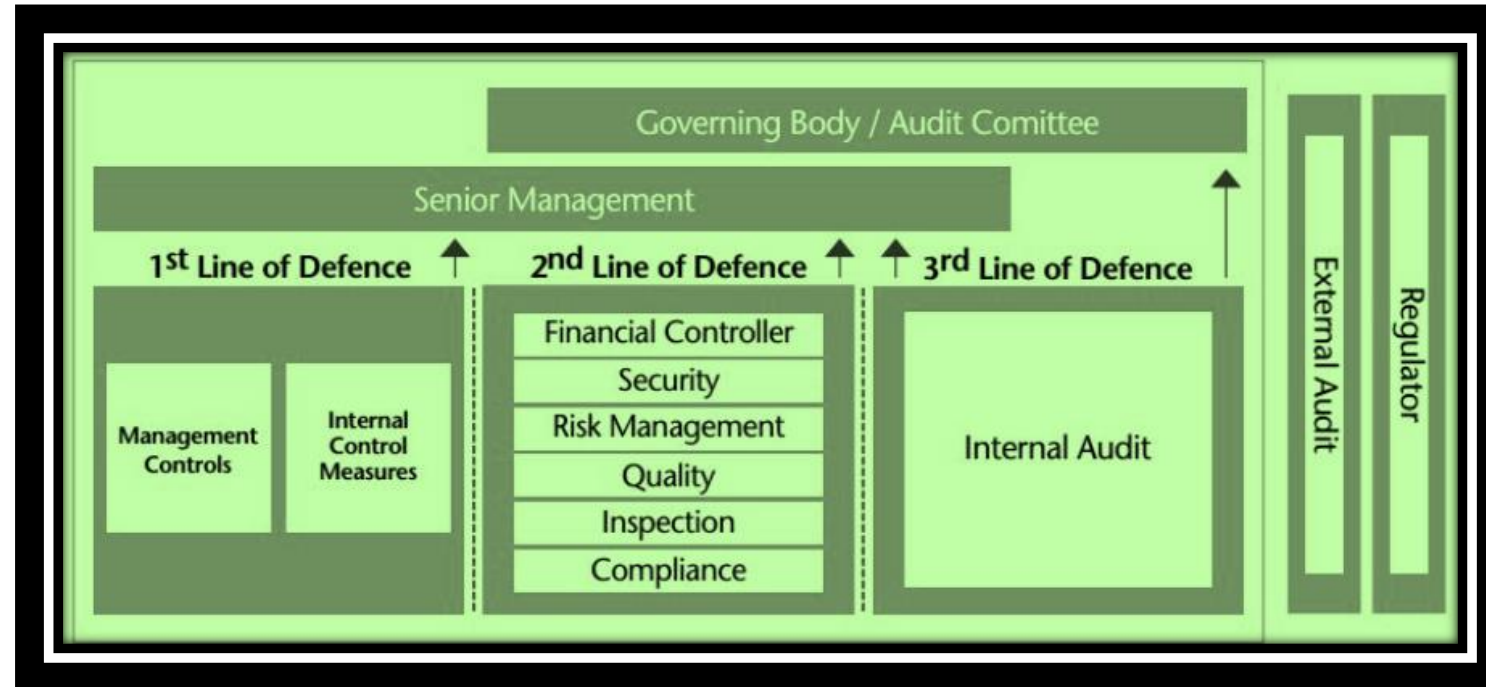


ROLE OF RISK BASED INTERNAL AUDIT AND INSPECTION

- **Definition** –The **Institute of Internal Auditors** defines risk based internal auditing (**RBIA**) as a methodology that **links internal auditing to an organization's overall risk management framework**.
- Its focus is on the processes applied by the management team:
 - The responses to **individual risks**, and
 - The processes used to **assess risks**, to decide on the responses to them, to **monitor the responses** and to report to the board.



WHERE DOES RBIA STANDS IN LINE OF DEFENCE FOR RISK MANAGEMENT?



Concept Check

Q.

Which among the following is/are the correct statement(s) regarding the risk based internal auditing (RBIA)?

1. It is a methodology that links internal auditing to an organization's overall risk management framework.
2. It is covered under the second line of defense for risk management in banks.

(Select the most appropriate answer from the option given below)

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) None of these

Answer: Option A

Thank You

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