



EU Financial Services for Internal Auditors Certificate

Description

Financial services in the European Union is a complex, highly regulated, and rapidly changing industry. Swift advances in technology, heightened regulator and consumer expectations, volatile risks, and globally interconnected financial economies have reshaped the business of financial services. As risks, opportunities, and disruptions in business strategies and operations unfold in banks, commercial real estate firms, insurance companies, and investment management firms, internal auditors must be prepared to continue to provide independent assurance and advisory services to enhance and protect organizational value.

Are you ready for the challenge?

EU Financial Services for Internal Auditors Certificate, a facilitator-led specialty certificate program, will provide you with critical intelligence, guidance, and practical applications to advance a career in financial services internal auditing. The program includes a general financial services foundations unit followed by more in-depth training on liquidity, model risk management, fraud, culture and conduct, and other mission-critical topics.

Who will benefit?

This certificate program is designed for chief audit executives, internal audit managers, senior and staff auditors, and consulting associates who wish to demonstrate their proficiency in EU financial services internal auditing. The program provides participants with 20 hours of CPE. After completing this program, participants will be eligible to sit for the final assessment and earn their certificate and badge.

Learning Objectives

After completing this certificate program, participants will be able to:

- Demonstrate a firm understanding of the foundations of internal auditing in financial services.
- Apply the concepts of The IIA's International Professional Practices Framework, Financial Services Risk Framework, and other relevant frameworks to the organization's strategy and objectives.
- Demonstrate a working knowledge the regulatory landscape and of key risks facing financial services organizations.
- Conduct financial services focused engagements in conformance with the *International Standards for the Professional Practice of Internal Auditing*.



Course Topics

Foundations of Internal Auditing in Financial Services

- Discuss the regulatory environment in the financial services industry.
- Define the risk types of The IIA's Financial Services Risk Framework.
- Explain the value of risk assessments in financial services organizations.
- Recognize the key elements of sound risk governance.
- Recognize the value, role, and phases of an internal audit activity.
- Apply knowledge of the internal audit process in financial services organizations.

Auditing Liquidity Risk

- Recognize the elements of Basel III.
- Recognize the elements and considerations of liquidity risks.
- Summarize internal audit's role in liquidity risk management.
- Recognize elements of an organization's asset and liability committee.
- Discern how liquidity risk appetite and risk tolerance shape the internal audit engagement.
- Differentiate between the purpose and role of each of the three lines model.
- Assimilate the elements of LRM methodology.
- Recognize methods of evaluating liquidity risks during an engagement.

Auditing Capital Adequacy & Stress Testing for Banks

- List the different types of capital and their impact over stability in the banking system.
- Differentiate between the strategies and methods to model credit, market, and operational risk.
- Evaluate how the capital processes support the bank's stated risk appetite.
- Recognize the bank's scenario development processes designed to stress the risk models.
- Define regulatory disclosure requirements.
- Recognize the role of internal audit in providing assurance for the bank's capital planning process.

Auditing Model Risk Management

- Recognize the drivers, scope, roles, and components within MRM.
- Discern the sources of model risk.
- Distinguish the elements that determine the policies and procures that will support MRM.
- Recognize the criteria of assessing MRM and of performing a timely and effective risk level assessment.
- Discern the steps in testing and validating the model's functionality.
- Differentiate the types of data inputs and their applications.
- Recognize the requirements of documenting and reporting engagement results.



Auditing Credit Risk

- Develop knowledge about the importance of credit risk in the financial services industry.
- Understand the regulatory environment and requirements related to credit risk.
- Recognize the key elements of credit risk governance.
- Describe the nature, basis and methods for measurement of the default probability.
- Evaluate a role of internal audit in credit risk business processes and operations.
- Learn to apply IPPF and risk-based internal audit techniques to assess and audit credit risk.

European Unit Financial Services

- Identify the fundamental internal audit activities in the EU banking regulatory environment.
- Define the risk types established by the ECB European Banking Risk Framework.
- Recognize common risks to EU non-compliance.
- Understand EU regulatory reporting.
- Apply the internal audit process in European banking organizations.

Assessing Market and Interest Rate Risk

- Understand the importance of market and interest rate risk in a financial services context.
- Understand the regulatory environment and requirements related to market and interest rate risk.
- Understand the risk governance and risk management processes surrounding market and interest rate risk.
- Be able to understand and articulate the key components of market risk including interest rate risk, equity risk, and foreign exchange risk.
- Be able to apply IPPF and risk-based internal audit techniques to assess and audit market and interest rate risk in their organization.

Auditing Culture and Conduct Risk in the Control Environment

- Develop knowledge about the impact of culture and conduct in the business environment.
- Recognize internal audit's role in assessing and reporting on organizational culture.
- Describe an audit planning process including objectives, scope, and resource allocation.
- Explain a risk assessment process based on culture and conduct risk factors.
- Study the integrated, targeted, and top-down approaches used in performing culture audits.
- Understand key stakeholder concerns and expectations related to culture and conduct risk.
- Outline the practical application of conduct in financial services organizations.

Assessing Cybersecurity Risk: Roles of the Three Lines Model

- Define cybersecurity.
- List the various types of cyber threats and controls.
- Describe the cybersecurity risk assessment framework.
- Describe the roles of the three lines model in cybersecurity.
- Identify the different approaches to auditing cybersecurity.
- Describe the impact of the chief audit executive's (CAE's) role and the board of directors' role in cybersecurity.



Assessing Fraud Risks

- List the steps and purpose of the assurance engagement.
- Describe how to incorporate the fraud risk assessment steps during an assurance engagement.
- Restate the role of internal audit when assessing fraud risks and implementing controls.
- Categorize fraud risk controls as detective or preventive.
- Differentiate the characteristics, significance, and sources of common fraud risks.
- Recognize the requirements of internal audit to be in conformance with the *Standards* related to fraud.
- Determine the optimal communication method for reporting results of an engagement.

Auditing Third-party Risk

- Recognize the elements and attributes of third-party risk management.
- Recognize risks and controls associated with contracting third parties.
- Recognize the areas where internal audit can monitor third parties.
- Differentiate types of third-party risk management governance structures.
- Differentiate key elements of Type 1 and Type 2 assurance reports for the operation of critical third-party organizations.
- Differentiate the evaluation criteria for engagements of third parties.
- Understand third-party due diligence policies and procedures.
- Understand the testing phase and the need to determine the essential criteria element(s) for evaluating the organization's third-party risk management framework and process.

Course Information

Course Duration: 2.5 Days.

CPE Hours Available: 20.

Knowledge Level: Intermediate.

Field of Study: Auditing.

Prerequisites: *Tools for New Auditors* or 1+ years of experience in the financial services industry.

Advance Preparation: None.

Delivery Format(s): eLearning (Group-Internet-Based); On-Site Training (Group-Live); Seminar (Group-Live); Livestream.

IIA Competency Framework Rubric: Environment/Applied Knowledge.