



## MINISTRY OF FINANCE

# Minimum Requirement of Chief Internal Auditor (CIA) for State-Owned Enterprises (SOEs)

## 1. Objective

Internal audit is an essential function for monitoring and assuring that all business assets have been properly secured and safeguarded from threats. It is also important for verifying that operational processes reflect your documented policies and procedures.

Aim of this policy is to ensure all the State-owned enterprises (SOEs) are deployed with competent Chief Internal Auditors, by considering the size of each SOE through their categories.

Below are the minimum requirements for Chief Internal Auditor (CIA) set to benchmark while appointing new members to the post of SOEs. PCB recommend all the SOEs to follow minimum requirement throughout the complete process of hiring an CIA.

During the recruitment process it is recommended to ensure that the candidate has experience in managing audit engagements and knowledge of relevant regulatory environment.

Below are the minimum requirements for a Chief Internal Auditor (CIA) set as a benchmark while appointing new members to the post.

## 2.1 New Appointments - Excluding Utility Companies

SOE Category	Educational Qualification	Experience
A and B	1. Member of Association of Chartered Certified Accountant (ACCA), or Certified Practicing Accountant (CPA), or Chartered Public Accountants (CPA), or Chartered Institute of Management Accountants (CIMA), or member of any other professional accounting body recognized by IFAC Certified Internal Auditor (CIA), (added advantages)	<ul style="list-style-type: none"><li>• 10 years (minimum 5 years' experience in auditing)</li><li>• minimum 5 years' senior management experience in a corporate environment</li><li>• Sound knowledge in application of IFRS, ISA and IPPF</li></ul>
C and D	1. Member of Association of Chartered Certified Accountant (ACCA), or Certified Practicing Accountant (CPA), or Chartered Public Accountants (CPA), or Chartered Institute of Management Accountants (CIMA), or member of any other professional accounting body recognized by IFAC	<ul style="list-style-type: none"><li>• 4 years (minimum 3 years' experience in auditing)</li><li>• Minimum 3 years' senior management experience in a corporate environment</li><li>• Sound knowledge in application of IFRS, ISA and IPPF</li></ul>



	Certified Internal Auditor (CIA), (added advantages)	
	2. Master's Degree in Accounting, Auditing, Finance or equivalent qualification.	<ul style="list-style-type: none"> <li>• 5 years (minimum 3 years' experience in auditing)</li> <li>• Minimum 3 years' senior management experience in a corporate environment.</li> <li>• Sound knowledge in application of IFRS, ISA and IPPF</li> </ul>
	3. Bachelor's Degree in Accounting, Auditing, Finance or equivalent qualification.	<ul style="list-style-type: none"> <li>• 7 years (minimum 3 years' experience in auditing)</li> <li>• Minimum 3 years' senior management experience in a corporate environment.</li> <li>• Sound knowledge in application of IFRS, ISA and IPPF.</li> </ul>
E	1. Bachelor's Degree in Accounting, Auditing, Finance or equivalent qualification.	<ul style="list-style-type: none"> <li>• 3 years (minimum 2 years' experience in auditing)</li> <li>• Minimum 1 years' senior management experience in a corporate environment.</li> <li>• Knowledge in application of IFRS, ISA and IPPF.</li> </ul>

## 2.2 New Appointments - Utility Companies

SOE Category	Educational Qualification	Experience
A and B	1. Member of Association of Chartered Certified Accountant (ACCA), or Certified Practicing Accountant (CPA), or Chartered Public Accountants (CPA), or Chartered Institute of Management Accountants (CIMA), or member of any other professional accounting body recognized by IFAC Certified Internal Auditor (CIA), (added advantages)	<ul style="list-style-type: none"> <li>• 10 years (minimum 5 years' experience in auditing)</li> <li>• minimum 5 years' senior management experience in a corporate environment</li> <li>• Sound knowledge in application of IFRS, ISA and IPPF</li> </ul>
C, D and E	1. Member of Association of Chartered Certified Accountant (ACCA), or Certified Practicing Accountant (CPA), or Chartered Public Accountants (CPA), or Chartered Institute of Management Accountants (CIMA), or member of any other professional accounting body recognized by IFAC Certified Internal Auditor (CIA), (added advantages)	<ul style="list-style-type: none"> <li>• 5 years (minimum 3 years' experience in auditing)</li> <li>• Minimum 3 years' senior management experience in a corporate environment.</li> <li>• Sound knowledge in application of IFRS, ISA and IPPF</li> </ul>



	2. Master's Degree in Accounting, Auditing, Finance or equivalent qualification.	<ul style="list-style-type: none"> <li>• 6 years (minimum 3 years' experience in auditing)</li> <li>• Minimum 3 years' senior management experience in a corporate environment.</li> <li>• Sound knowledge in application of IFRS, ISA and IPPF</li> </ul>
	3. Bachelor's Degree in Accounting, Auditing, Finance or equivalent qualification.	<ul style="list-style-type: none"> <li>• 8 years (minimum 3 years' experience in auditing)</li> <li>• Minimum 3 years' senior management experience in a corporate environment.</li> <li>• Sound knowledge in application of IFRS, ISA and IPPF.</li> </ul>

### 3. Existing CIAs – All SOEs

It is important to ensure that all the existing CIAs in all the SOEs comply with the minimum requirement of educational qualification and experience.

Existing CIAs in all the SOE category (A-E) must have a minimum educational qualification of accounting degree with 2 years of experience in auditing field.

Existing CIAs who do not have an accounting qualification with 2 years of experience in auditing field, must be replaced with a competent person within 6 months. Existing CIAs who holds at least an Accounting Degree but do not fulfill the experience requirements as stated in the table above, shall be given 2-year time to reach to the minimum requirement level of educational qualification and experience. This 2-year time must be granted under a proper agreement between company and the CIA.

Upon effective date of minimum requirement for CIAs, all the SOEs must assess their existing CIAs within 1-month period. Within this 1 month, SOE must communicate with the existing CIA in writing whether if he/she is to be retained in the job, or to be replaced within 6 months. If the existing CIA is eligible for the offer of 2-year period, he/she must be communicated and agreed within this 1 month.



For further illustration, decision making process is attached below.

