

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Legal & Compliance

Title	Conduct internal audits
Code	105519L4
Range	This unit of competency is applicable to those who are responsible for conducting internal audits. It involves observing operations of business units, examining documents and records, identifying non-conforming activities and following up with units to resolve non-compliance issues.
Level	4
Credit	4 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in conducting audit <ul style="list-style-type: none"> • Understand regulatory requirements in respect of the insurance industry, including all of the relevant ordinances and statutory regulations; guidance notes and circulars issued by the regulators; industry standards, guidelines and codes of practice issued by industry bodies • Understand corporate risk management strategy • Comprehend audit system • Familiar with operations of different business units • Comprehend audit operation work flow 2. Conduct internal audit <ul style="list-style-type: none"> • Liaise with company units to arrange time for audit • Prepare checklist for audit items • Visit company units to observe operations, examine documents and records to see if relevant procedures and guidelines are followed • Identify activities that do not conform with procedures and guidelines • Identify activities that may impose potential risks to the company • Clarify with company units on issues that are not clear • Record audit findings with supporting evidence • Consolidate findings to compile audit report • Provide recommendations on measures • Follow up with company units with issues that are not resolved at the time of audit 3. Conduct audit in accordance with audit procedures <ul style="list-style-type: none"> • Conduct visits to company units to observe operations and inspect documents to determine if relevant procedures and guidelines are adopted • Identify suspicious activities that might impose potential risk • Compile audit report recording audit findings with supporting evidence • Coordinate with company units to resolve unsettled issues at time of audit.
Assessment Criteria	<p>The integral outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to inspect audit operations and documents for conformance to relevant procedures and guidelines • Able to identify potential non-compliance with corporate procedures and guidelines • Able to consolidate audit findings into comprehensive report • Able to follow up with relevant units to solve necessary issues.
Remark	This unit of competency is also applicable to general insurers, life insurers and broker.