

# THE FINANCIAL INCLUSION ADVOCACY CENTRE

*"Pacesetters in Microfinance Trainings"*

## ADVANCED PRATICAL INTERNAL AUDIT COURSE FOR MICROFINANCE PRACTITIONERS

**A 5 days interactive course on Internal Audit for Microfinance Practitioners**

**October 16-20th, 2017**

London, UK



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## THE FINANCIAL INCLUSION ADVOCACY CENTRE

The Financial Inclusion Advocacy Centre is an international action-oriented microfinance think-tank geared toward an exhaustive financial inclusion.

The Financial Inclusion Advocacy Centre's mission is to build the institutional strength and outreach of the microfinance sector, by providing a full range of high-quality, best-practice technical inputs and support to all industry stakeholders, in a sustainable and demand-driven manner. As an independent support centre, FIAC is committed to promoting innovations, transparency, and improved outreach to the poor and ever-improving performance in the microfinance industry the world over.

### Course Objective:

Microfinance institutions exist to fulfil a dual mission – financial sustainability and positive social impact on the urban and rural poor of the communities that they serve. However, too many MFIs are pre-occupied with expansion, out-smarting their competition, or reducing their operational costs to take time to look at risk management in their institutions. Others operate without proper systems that help reduce exposure to risk and are often confronted with fraud or losses caused by inadequacies in their procedures and controls.

The traditional view of internal audits has shifted in recent years from a focus on financial transactions and past events, to a pro-active risk-based approach that not only looks at compliance to policy and procedure, but the effectiveness of risk identification and assessment, and management's risk mitigation strategy, implementation and monitoring of risks.

This Course aims to provide practical ways for MFIs to approach and implement effective internal control systems and internal audit functions within their institutions – whether large or small AND look at risk, risk management and internal controls from an operational perspective within the MFI.


This course will enable participants to use internal audit function as (i) a management tool to monitor the implementation of internal controls (ii) seek to detect problems before they become large and destructive, and (iii) provide assurance and communication to management that its systems are in place, are functioning and are building the MFI's capacity to deliver its products and services sustainably to the community.

It is recognized that risk and control are virtually inseparable where risks first must be identified and assessed; then managed and mitigated by the implementation of a strong system of internal audit and internal control.

The Course is spread over five days and takes a comprehensive perspective of risk, risk tolerance and risk management throughout the organization. It looks at the role of Board Governance and management in leading the risk management process, and in setting the tone for strong internal control and audit systems.

**Session 1: Understanding the Principles and Evolution of Microfinance and Financial Inclusion.** This introductory session takes a historical perspective and examines the various approaches taken by commercial banks, non-governmental organizations, credit unions, governments and microfinance institutions. It will define the concept of microfinance and financial inclusion, the paradigm shift and the evolution to sustainable entities and social enterprises.

**Session 2: Consideration of Risks in Microfinance?** Financial Service Providers are exposed to a great number of internal and external risks. Prediction and detection of those risks are important for viable continuance of the MFI. This Session highlights the key risks and debates on prioritization of those risks. Based on the type of organization and country context participants will consider who should manage the risks and the issues relating thereto.



**Session 3: Aspects of Internal Control Systems.** Internal controls are policies and procedures maintained by the owners/managers of MFIs to attain the objectives and ensure smooth and sustainable operation of the business. The session considers all relevant aspects of Internal Control and Challenges relating to: Sustainability; Compliance with management policies; Safeguarding of assets; Prevention and detection of fraud and improper administration; Recognition & Proper maintenance of accounting records; Timely and accurate preparation of accounts and financial reports; Accountability to Regulators, Donor and other Stakeholders. The session will specifically consider Internal Control Framework and its six components and the importance of having an institutional culture of support for strong control systems.

**Session 4: Key Challenges for MFIs.** Listing and Identifying 15+ risks and their significance with special emphasis on areas of key risks and vulnerability. Discussion on three most critical aspects of MFI operations: Human Resources; Policies & Procedures; Management Information Systems

**Session 5: Consideration of Preventive Control – Human Resources.** Having the right working environment for human resource management is an important part of MFI. Setting positive and trustworthy relationships are crucial for FSPs, such as licensed MFIs, which are primarily involved in financial intermediation. The session will discuss factors that drive employees to be fraudulent; aspects that could limit such tendencies; build capacities in an appropriate manner and create an environment of team work and trust.

**Session 6: Need for Preventive Control, Policies and Procedures.** The session will discuss considerations of Comprehensive policies and procedures as an integral part of preventive control of risks in all FSPs. Participants will be guided through (a) Written POLICY guidelines that indicate the direction of the operations e.g. Credit policies will include guidelines on eligibility of clients, terms & conditions applicable to each products etc. (b) Written PROCEDURAL instructions that describe how to implement and follow the policies. Additionally the session will discuss Accounting Controls and systems whether manual or computerized and consider *Cycle of Financial Products Processing* which covers product design, marketing, receipt of applications, underwriting, recording, disbursement, collecting repayments, accounting, monitoring, evaluation leading to refinement of products, plans and policies.

**Session 7: Preventive and Effective Control of Operations and Information Systems.** The session considers Detailed Operational Aspects such as Segregation of Duties, Limitation of Authority, Appropriateness of Splitting Dual Controls, Independent Check & Monitoring, Accounting & Reconciliation; Integration of Portfolio Tracking System with Mainstream General Ledger. The session will also examine the need to consider non-accounting facets of operations and the strategy for information and communication systems that identifies and priorities risks.

**Session 8: Internal Audit Function.** Basically internal audit is a systematic and independent review of the operations and controls within a MFI. The session will highlight the principles of Internal Audit and its approach for detecting weaknesses and risks. Participants will learn about financial internal audit and other related aspects of monitoring and how the Internal Auditor contributes to the monitoring component in the internal control system to prevent loss and minimize operating risks. When should the MFI expand the role of the Internal Auditor so as to have internal audit department that employ field auditors to support the leadership of the Internal Audit Manager. The session will also consider the appropriate linkages of the Internal Auditor to the Board of MFI and External Auditor.

**Session 9: Policies and Procedures relating to Internal Audit Function.** The session will consider development of **work schedule** for the department. Regulated MFIs are required to comply with specific internal audit requirements and reporting. Various aspects will be considered: assessment of internal controls; number and frequency of internal audits; procedure for reporting the findings of internal audit; consultation with the Board for improving the internal control systems; formulating Recommendation Reports.

## Target Audience

Microfinance and Microcredit Practitioners, Regulatory Officers, Potential Social Investors, Senior Managers in MFIs, Senior Managers in NGO's, Senior Managers in Socially Responsible Investment Firms, Independent Practitioners, Consulting Firms, Central Bank Officials, Donor Agencies, Change Management Consulting Organizations, Private Equity Firms, Academicians

## Fees & Expenses

- The tuition fee for this course is \$3000.00 per delegate inclusive of accommodation with Satellite, Internet Connectivity, Feeding, Course Material and Airport pick-up, Certificate of Participation and Networking Opportunities.
- To attend, full payment need to be received by 2nd October, 2017.
- Book early in order not to be disappointed.

## Course Tutors



**Mr. Godfrey Lord Crentsil MSC;  
MPM; BA; DipEd**

- Microfinance expert with over 15 years' experience in microfinance development and supervision. Trained in most African and European countries as well as the MENA region.



**Mr Sadrudin Akbarali  
FCA; CTA**

- Formerly Senior Programme Manager for Aga Khan Agency for Microfinance with over 30 years' experience in developing, supervising and advising enterprise development, microfinance and other financial institutions

## Venue

London, UK

## Registration

Please fill the attached registration form and send to [info@financialinclusionadvocacy.org](mailto:info@financialinclusionadvocacy.org)

## Deadlines

- All registration forms should be submitted by the 2nd October 2017, late applications will be considered subject to availability.
- Delegates that need an entry visa into the United Kingdom are advised to allow about 3 -4 weeks processing time by the authorities.

## Cancellation Policy

You may make a substitution, without charge, at any time before the start of the course but all cancellations must be confirmed in writing. Cancellations received more than four weeks prior to the start of the course are not subject to any penalty. Cancellation received after that time incurs the following penalties: two to four weeks 50% of the course fee; less than two weeks 100% of the course fee. If written notification is not received and you do not attend, the full course fee will be retained as a cancellation charge.

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## Registration Form

ADVANCED PRACTICAL INTERNAL AUDIT COURSE FOR MICROFINANCE PRATITIONERS

**London. UK. October 16-20, 2017**

TITLE:	
FIRST NAME:	
LAST NAME:	
ORGANISATION:	
ADDRESS:	
TELEPHONE	
EMAIL ADDRESS:	
ACADEMIC QUALIFICATION	
EMPLOYMENT STATUS FOR THE LAST FIVE YEARS	
CAREER OBJECTIVE AFTER COMPLETION OF COURSE	
DATE OF ARRIVAL	
PAYMENT MUST BE MADE BY BANK TRANSFERS. BANK DETAILS ARE PROVIDED AFTER SUCCESSFUL REGISTRATION AND INVOICE ISSUED	