



Republic of the Philippines
OFFICE OF THE PRESIDENT
COMMISSION ON HIGHER EDUCATION



CHED MEMORANDUM ORDER

No. 29
Series of 2017

SUBJECT: POLICIES, STANDARDS AND GUIDELINES FOR THE BACHELOR OF SCIENCE IN INTERNAL AUDITING (BSIA)

In accordance with the pertinent provisions of Republic Act (RA) No. 7722, otherwise known as the "*Higher Education Act of 1994*," in pursuance of an outcomes-based quality assurance system as advocated under CMO No. 46 s. 2012, and by virtue of Commission en banc Resolution No. 231-2017 dated March 28, 2017, the following policies, standards and guidelines (PSGs) are hereby adopted and promulgated by the Commission.

**ARTICLE I
INTRODUCTION**

Section 1. Rationale

Based on the *Guidelines for the Implementation of CMO No. 46 s. 2012*, this PSG implements the "shift to learning competency-based standards/outcomes-based education." It specifies the 'core competencies' expected of BS Internal Auditing graduates "regardless of the type of HEI they graduate from." However, in "recognition of the spirit of outcomes-based education and ... of the typology of HEIs," this PSG also provides "ample space for HEIs to innovate in the curriculum in line with the assessment of how best to achieve learning outcomes in their particular contexts and their respective missions...."

**ARTICLE II
AUTHORITY TO OPERATE**

Section 2. Government Recognition

All private higher education institutions (PHEIs) intending to offer BS Internal Auditing must first secure proper authority from the Commission in accordance with this PSG. All PHEIs with an existing BS Internal Auditing program are required to shift to an outcomes-based approach based on this PSG. State universities and colleges (SUCs), and local colleges and universities (LUCs) should likewise strictly adhere to the provisions in these policies and standards.

ARTICLE III GENERAL PROVISIONS

Per Section 13 of RA No. 7722, the higher education institutions shall exercise academic freedom in its curricular offerings but must comply with the minimum requirements for specific academic programs, the general education distribution requirements and the specific professional courses.

Section 3. The Articles that follow give minimum standards and other requirements and prescriptions. The minimum standards are expressed as a minimum set of desired program outcomes which are given in Article IV Section 6. The CHED designed a curriculum to attain such outcomes. This curriculum is shown in Article V Section 8 as a **sample** curriculum. The number of units of this curriculum is here prescribed as the "minimum unit requirement" under Section 13 of RA 7722. In designing the curriculum the CHED employed a curriculum map which is shown in Article V Section 10 as a **sample** curriculum map.

Using a learner-centered/outcomes-based approach the CHED also determined appropriate curriculum delivery methods shown in Article V Section 11. The sample course syllabi given in Article V Section 12 show some of these methods.

Based on the curriculum and the means of its delivery, the CHED determined the physical resource requirements for the library, laboratories and other facilities and the human resource requirements in terms of administration and faculty. See Article VI.

Section 4. The HEIs are allowed to design curricula suited to their own contexts and missions provided that they can demonstrate that the same leads to the attainment of the required minimum set of outcomes, albeit by a different route. In the same vein, they have latitude in terms of curriculum delivery and in terms of specification and deployment of human and physical resources as long as they can show that the attainment of the program outcomes and satisfaction of program educational objectives can be assured by the alternative means they propose.

The HEIs can use the **CHED Implementation Handbook for Outcomes-Based Education (OBE) and the Institutional Sustainability Assessment (ISA)** as a guide in making their submissions for Sections 16, 17 and 18 of Article VII.

ARTICLE IV PROGRAM SPECIFICATIONS

Section 5. Program Description

5.1 Degree Name

The degree program described herein shall be called Bachelor of Science in Internal Auditing (BSIA).



5.2 Nature of the Field of Study

This is the program that provides general accounting education to students wanting to pursue a professional career in Internal Auditing. Further, this is the program that complies with the latest competency framework for professional accountants issued by the International Federation of Accountants (IFAC) thru their International Education Standards and the global internal auditing standards. Thus, this qualifies the graduate of this program to take assessments leading to certifications in Internal Auditing given by global professional Internal Auditing organizations.

As a field of study, Internal Auditing is a profession that enhances and protects organizational value by providing stakeholders with risk-based, objective and reliable assurance, advice and insight. It is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Internal auditors work with management to systematically audit systems and operations and address strategic needs of an organization. These audits are aimed at identifying how well risks are managed or mitigated including whether the right processes are in place, and whether compliance with the agreed procedures are being complied to. Audits can also identify areas where improvements might be made.

In the course of their role, internal auditors work across all areas of an organization. In addition to core areas of financial control and IT, they review the tangible aspects of operations, such as an organization's supply chain or IT systems; as well as more intangible aspects such as organizational culture and ethics. In fact, any system that has an impact on the effective operation of an organization may be included in internal audit's scope.

Internal audit reports are presented to the CEO and board (via the audit committee) as they provide an independent viewpoint on the status of organization extent to which an organization is poised for success and advice on areas for improvement.

5.3 Program Goals *(Program Goal will be the expected outcomes of the graduates within 3 to 5 years of graduation that will be included in the assessment)*

The primary goal of internal auditing education is to produce competent and ethical professional internal auditors who develop an attitude of lifelong learning, to remain their competence as certified internal auditors.

The BSIA program should provide a foundation of professional knowledge, professional skills, and professional values, ethics and attitudes that enable them to continue to learn and adapt to



change throughout their professional lives. These capabilities will enable professional internal auditors to identify problems, know where to find this knowledge and know how to apply it in an ethical manner to achieve appropriate solutions. The balance of these elements may vary but what is required is to develop the knowledge base, strong skills and ethical values in order to produce competent professional internal auditors with appropriate values, ethics and attitudes.

An internal auditor demonstrates uncompromised integrity, displays objectivity in mindset and approach, and demonstrates commitment to competence. An internal auditor may cover a number of different technical or strategic positions. Technical positions span from more basic positions (main responsibilities would include inputting data in order to produce relevant Internal Auditing information) to more advanced positions (main responsibilities would include determining what data to input, how to elaborate upon it and deciding what information is relevant for whom, and for what purpose).

The responsibilities may be wider at a more strategic position, such as chief audit executive (CAE) and internal audit manager. These are executive positions where internal auditors are expected to deploy their technical and strategic skills to the extent that they have a significant input in determining their firms' major decisions.

Most commonly, internal auditors are expected to effectively implement the internal audit function which is aligned with both short-term and strategic goals of the organization.

The strategic relevance of Internal Auditing is represented by its ability to support the management in taking strategic decisions, which include the delivery of the outcomes or results of an internal audit activity (output) that will provide reliable assurance to those charged with governance and stewardship. The internal audit activity is insightful, proactive, and future-focused.

5.4 Specific Professions/Careers/Occupations for graduates

The field of internal auditing offers stimulating and challenging work that is constantly evolving. The BSIA program seeks to prepare the student for an Internal Auditing career. Internal auditors work in all sectors (private, government, and not-for-profit) and may work as an employee of the organization, or through an external service provider.

Specific sample job opportunities are the following:

- a. Entry-level jobs.
 1. External Service Provider: Junior Internal Audit Staff, Associate Consultant
 2. Commerce and Industry: Internal Auditing Staff, Compliance Officer, Tax Auditor, Financial Auditor, Budget Analyst, Credit Analyst



3. Government: State Accounting Examiner, NBI Agent, Treasury Agent, Revenue Officer, Bank Examiner, Budget Officer, Financial Services Specialist
4. Education: Junior Instructor

After obtaining sufficient meaningful experience, the graduate of the BSIA program can assume any of the following positions.

- b. Middle-level positions
 1. External Service Provider: Senior Internal Audit Manager, Managing Consultant, Lead Consultant
 2. Commerce and Industry: Senior Internal Auditor, Senior Information Systems Auditor, Senior Compliance Officer, Senior Budget Officer
 3. Government: State Auditor V, Director III and Director IV, Government Accountancy and Audit, Audit Services Manager, Senior Auditor
 4. Education: Senior Faculty, Program Head
- c. Advanced positions
 1. External Service Provider: Principal, Partner of Advisory Services
 2. Commerce and Industry: Chief Audit Executive, Chief Risk Officer, Chief Compliance Officer
 3. Government: National Treasurer, Vice President for Finance/CFO (for GOCCs), Commissioner, Associate Commissioner, Assistant Commissioner, (COA, BIR, BOC)
 4. Education: Vice President for Academic Affairs, Dean

5.5 Allied Fields in Business and Economics

Internal Auditing is functionally most closely related to the fields of business administration and management, advertising, agribusiness, banking and finance, business entrepreneurship, commercial and mercantile law, customs administration, decision science, economics, educational administration/management, entrepreneurial management, forensic accounting hotel and restaurant management, legal management, marketing management, office administration/management, public administration/management, real estate management, risk management, tourism, and travel management and other business- or management-related fields that may be identified by CHED.

Section 6. Program Outcomes

6.1 Common to all programs in all types of schools

The graduates have the ability to:

1. articulate and discuss the latest developments in the specific field of practice. (PQF level 6 descriptor);
2. effectively communicate orally and in writing using both English and Filipino;
3. work effectively and independently in multi-disciplinary and multi-cultural teams. (PQF level 6 descriptor);



4. act in recognition of professional, social, and ethical responsibility; and
5. preserve and promote "*Filipino historical and cultural heritage*" (based on RA 7722)

6.2 Common to the Business and Management discipline

A graduate of a business or management degree should be able to:

1. describe the basic functions of management such as planning, organizing, leading and controlling;
2. identify and describe the basic concepts that underlie each of the functional areas of business (marketing, finance, human resources management, production and operations management, information technology, and strategic management) and employ these concepts in various business situations;
3. select the proper decision making tools to critically, analytically and creatively solve problems and drive results;
4. express clearly and communicates effectively with stakeholders both in oral and written forms;
5. apply information and communication technology (ICT) skills as required by the business environment;
6. work effectively with other stakeholders and manage conflict in the workplace;
7. organize and lead groups to plan and implement business related activities;
8. demonstrate corporate citizenship and social responsibility; and
9. exercise high personal moral and ethical standards.

6.3 Specific to a sub-discipline and major

A graduate of BSIA should be able to:

1. resolve business issues and problems, with a global and strategic perspective using knowledge and technical proficiency in the areas of internal auditing, financial accounting and reporting, cost accounting and management, management accounting and control, taxation and accounting information systems with integrity, objectivity and competence;
2. conduct internal auditing research through independent studies of relevant literature and appropriate use of internal auditing theory and methodologies;
3. employ technology as a business tool in capturing financial and non-financial information, generating reports and making decisions;
4. apply knowledge and skills that successfully respond to various types of assessments (including professional licensure and certifications); and
5. confidently maintain a commitment to good corporate citizenship, social responsibility and ethical practice in performing functions as an internal auditor.



6.4 Common to a horizontal type as defined in CMO No. 46, s. 2012

- a. Graduates of professional institutions demonstrate a service orientation in one's profession,
- b. Graduates of colleges participate in various types of employment, development activities, and public discourses, particularly in response to the needs of the communities one serves
- c. Graduates of universities participate in the generation of new knowledge or in research and development projects

Graduates of State Universities and Colleges must, in addition, have the competencies to support "national, regional and local development plans." (RA 7722)

A PHEI, at its option, may adopt mission-related program outcomes that are not included in the minimum set.

Section 7. Sample Performance Indicators

Performance Indicators are specific, measurable statements identifying the performance(s) required to meet the outcome; confirmable through evidence.

PROGRAM OUTCOMES	PERFORMANCE INDICATOR
<p>1. Resolve business issues and problems, with a global and strategic perspective using knowledge and technical proficiency in the areas of internal auditing, financial accounting and reporting, cost accounting and management, management accounting and control, taxation and accounting information systems with integrity, objectivity and competence;</p>	<ul style="list-style-type: none"> • Prepare an internal audit charter • Design an effective internal audit program that is responsive to the needs of the organization to optimize the resources and effectively address significant risks • Communicate clearly and on a timely basis the internal audit findings and recommendations and monitor compliance thereof • Perform a quality review of the internal audit function for its continuous improvement
<p>2. Conduct Internal Auditing research through independent studies of relevant literature and appropriate use of internal auditing theory and methodologies</p>	<ul style="list-style-type: none"> • Design an appropriate research plan • Prepare a critical review of related literature • Analyze results of study and discuss implications and contributions to body of knowledge • Present findings and conclusions of the study • Communicate effectively the recommendations



PROGRAM OUTCOMES	PERFORMANCE INDICATOR
3. Employ technology as a business tool in capturing financial and non-financial information, generating reports and making decisions.	<ul style="list-style-type: none"> Apply an appropriate auditing software to a particular business entity
4. Apply knowledge and skills that will successfully respond to various types of assessments (including professional licensure and certifications).	<ul style="list-style-type: none"> Demonstrate preparedness to undertake licensure exams thru meaningful work experiences or other equivalent learning activities
5. Confidently maintain a commitment to good corporate citizenship, social responsibility and ethical practice in performing functions as an internal auditors	<ul style="list-style-type: none"> Adhere to ethical objectives of an organization. Identify conflicts of interest or other constraints that would preclude the exercise of objective judgment

ARTICLE V CURRICULUM

Section 8. Curriculum Description

The curriculum for BSIA Program is designed to support aspiring professional internal auditors to develop the appropriate **entry-level** technical competence, professional skills, values, ethics and attitudes to successfully complete their studies, pass their professional certification assessment/examination and the practical experience period. It is composed of a **minimum** of **167** units, including the required General Education, or GE curriculum, and covers all major areas required by the profession such as:

1. Accounting, finance and related knowledge;
2. Organizational and business knowledge; and
3. Information technology, knowledge and competencies.

The **167** units are broken down into the following components:

Courses	Minimum Units Prescribed
1. General Education (GE) Courses	36
2. National Service Training Program (NSTP)	6
3. Physical Education (PE) courses	8
Sub-total	50
4. Common Business and Management Education Courses	6
5. Core Accounting Education Courses	81
6. Cognates/Major/Professional Courses	30
Sub-total	117
Total	167



The subjects under the GE Courses are as per CHED Memorandum No. 20 series of 2013.

This curriculum is vertically aligned with the Accounting and Business Management (ABM) strand of the senior high school academic track.

Section 9. Sample Curriculum

9.1 General Education, NSTP and Physical Education Courses

The core courses can significantly prepare the students as they transition from high school to tertiary education and pursue professional level of education. This component of accounting education is purposefully designed to strengthen three (3) important learning outcomes or competencies:

- **Communication skills** – Ability to write and speak clearly and persuasively, gather evidence and construct a coherent argument; shape speech and writing to the nature of one's audience.
- **Logical and critical thinking** – Ability to analyze, synthesize and evaluate information and ideas from multiple perspectives; differentiate between objective information and subjective points of view and identify ways of making provisional judgments.
- **Quantitative reasoning and computer literacy** – Development of quantitative reasoning in mathematics or statistics combined with a basic computer literacy which is essential in contemporary technological society.

A broad general education can significantly contribute to the acquisition of professional skills. This component of the curriculum focuses on the development of non-professional knowledge, intellectual skills, personal skills, interpersonal and communication skills. A good foundation of general education, although not an end in itself, is one way of helping students become broad-minded individuals who think and communicate effectively and who have the basis for conducting inquiry, carrying out logical thinking and undertaking critical analysis. This foundation will enable students to make decisions in the larger context of society, to exercise good judgment and professional competence, to interact with diverse groups of people, to think globally, and to begin the process of professional growth. The acquisition of these skills is more important than the way in which they are learned.

9.2 Common Business and Management Education Courses

These courses cover all the major functional areas of business, and provide the foundational knowledge of the environment and the context in which professional internal auditors work.

Course	No. of Units
Operations Management and TQM	3
Strategic Management	3
Total	6



9.3 Core Accounting Education Courses

This component of the curriculum provides the students with core technical foundation essential to a successful career as professional accountants. It further develops and integrates the knowledge, skills and professional values, ethics and attitudes which they obtained from the other components of the curriculum. It gives students the necessary theoretical and technical accounting knowledge and intellectual skills, including an understanding of professional values and ethics.

Course	Code	No. of Units
Law on Obligations and Contracts	AE1	3
Business Laws and Regulations	AE2	3
Regulatory Framework and Legal Issues In Business	AE3	3
Management Science	AE4	3
International Business and Trade	AE5	3
Accounting Research Methods	AE6	3
Internal Auditing Internship	AE7*	6
Internal Auditing Research	AE8*	3
Statistical Analysis with Software Application	AE9	3
Governance, Business Ethics, Risk Management, and Internal Control	AE10	3
Managerial Economics	AE11	3
Economic Development	AE12	3
Financial Accounting and Reporting	AE13*	3
Conceptual Framework and Accounting Standards	AE14*	3
Intermediate Accounting 1	AE15*	3
Intermediate Accounting 2	AE16*	3
Intermediate Accounting 3	AE17*	3
Financial Markets	AE18	3
Financial Management	AE19	3
Accounting Information System	AE20*	3
IT Application Tools in Business	AE21	3
Cost Accounting and Control	AE22*	3
Strategic Cost Management	AE23*	3
Strategic Business Analysis	AE24	3
Business Tax	AE25	3
Income Taxation	AE26	3
Total		81

* These are accounting courses that must be taught by qualified faculty as specified in Section 15.1.a.

9.4 Cognate/Major/Professional Courses

The professional internal auditing courses complements the technical competencies of the business and management education, and accounting education courses, and the intellectual,



interpersonal, communication, and organizational and management skills developed in general education. Together with business and management education and the accounting education courses, the professional courses complete the technical, competencies, skills, professional attitude, ethics and values required under IFAC's latest International Education Standards that qualifies the graduate to take any global certification assessment in Internal Auditing.

Course	Code	No. of Units
Forensic Accounting	PrE1*	3
Enterprise Risk Management	PrE2*	3
Sustainability and Strategic Audit	PrE3*	3
Internal Audit and Entity's Control	PrE4*	3
Internal Audit Engagements	PrE5*	3
Advanced Internal Auditing: External Quality	PrE6*	3
Operations Auditing	PrE7*	3
Fraud Examination: Concepts and Cases	PrE8*	3
Professional Electives	Elec#	6
Updates in Internal Auditing Principles and		
Updates in Internal Auditing Principles and		
Project Management		
Auditing in CIS Environment		
Total		30

* *These professional courses must be taught by qualified faculty who are CPAs or has globally recognized professional certification in internal audit or other related and appropriate fields as provided in Section 15.1.d.*

9.5 Sample BSIA Program of Study

First Year		
First Semester		
Courses	Type	Units
Understanding the Self	GE	3
Readings in Philippine History	GE	3
The Contemporary World	GE	3
Mathematics in the Modern World	GE	3
Financial Accounting and Reporting	AE	3
Managerial Economics	AE	3
Operations Management and TQM	CBME	3
NSTP	NSTP	3
Physical Education 1	PE	2
Total		26



First Year		
Second Semester		
Courses	Type	Units
Purposive Communication	GE	3
Art Appreciation	GE	3
Science, Technology, and Society	GE	3
Economic Development	AE	3
Cost Accounting and Control	AE	3
Law on Obligations and Contracts	AE	3
Conceptual Framework and Accounting Standards	AE	3
NSTP	NSTP	3
Physical Education 1	PE	2
Total		26

Second Year		
First Semester		
Courses	Type	Units
Ethics	GE	3
Rizal's Life and Works (as mandated by law)	GE	3
GE Elective (Business Logic)	GE	3
Income Taxation	AE	3
Intermediate Accounting 1	AE	3
Strategic Cost Management	AE	3
Business Laws and Regulations	AE	3
Financial Markets	AE	3
Physical Education 3	PE	2
Total		26

Second Year		
Second Semester		
Courses	Type	Units
Social Science and Philosophy	GE	3
Arts & Humanities	GE	3
Management Science	AE	3
Intermediate Accounting 2	AE	3
Business Tax	AE	3
Regulatory Framework and Legal Issues In Business	AE	3
Financial Management	AE	3
Accounting Information System	AE	3
Physical Education 4	PE	2
Total		26



Third Year		
First Semester		
Courses	Type	Units
Accounting Research Methods	AE	3
Intermediate Accounting 3	AE	3
IT Applications in Business	AE	3
Internal Audit Engagements	PC	3
Strategic Business Analysis	PC	3
Forensic Accounting	PC	3
Total		18

Third Year		
Second Semester		
Courses	Type	Units
Statistical Analysis with Software Application	AE	3
International Business and Trade	AE	3
Governance, Business Ethics, Risk Management and Internal Control	AE	3
Enterprise Risk Management	PC	3
Sustainability and Strategic Audit	PC	3
Internal Audit and Entity's Control Environment	PC	3
Total		18

Fourth Year		
First Semester		
Courses	Type	Units
Internal Auditing Internship	AE	6
Internal Auditing Research	AE	3
Total		9

Fourth Year		
Second Semester		
Courses	Type	Units
Strategic Management	CBME	3
Advanced Internal Auditing: External Quality Assurance Review	PC	3
Operations Auditing	PC	3
Fraud Examination: Concepts and Cases	PC	3
Professional Elective 1	PC	3
Professional Elective 2	PC	3
Total		18



Section 10 Sample Curriculum Map

The curriculum map is a tool to validate if a match exists between core program outcomes (competencies) and the content of a curricular program (on a per course or subject basis). The following letter symbols have been used:

L - Facilitate **LEARNING** of the competencies (input is provided and competency is evaluated)

P - Allow student to **PRACTICE** competencies (no input but competency is evaluated)

O - Provide **OPPORTUNITY** for development (no input or evaluation, but there is opportunity to practice the competencies)

COURSE	Program Outcome Specific to Sub-Discipline (BSIA)				
	PO1	PO2	PO3	PO4	PO5
<i>Accounting Education Courses</i>					
Law on Obligations and Contracts	L	O	O	P	P
Business Laws and Regulations	L	O	O	P	P
Legal Issues in Business	L	O	O	P	P
Management Science	L	O	O	P	O
International Business and Trade	L	O	O	L	L
Accounting Research Methods	L	O	O	P	P
Internal Auditing Internship*	P	P	L	O	P
Internal Auditing Research*	L	O	P	O	P
Statistical Analysis with Software Application	L	L	P	L	O
Governance, Business Ethics, Risk Mgt & Internal Control	L	O	O	P	P
Managerial Economics	L	O	O	L	O
Economic Development	L	O	O	L	O
Financial Accounting and Reporting	L	O	O	P	L
Conceptual Framework and Accounting Standards	L	O	O	L	L
Intermediate Accounting 1	L	O	O	P	L
Intermediate Accounting 2	L	O	O	P	L
Intermediate Accounting 3	L	O	O	P	L
Financial Markets	L	O	O	L	L
Financial Management	P	O	O	P	L
Accounting Information System	P	O	P	P	O
IT Application Tools in Business	L	O	P	L	O
Cost Accounting and Control	L	O	O	P	O
Strategic Cost Management	L	O	O	P	O
Strategic Business Analysis	L	O	O	P	L
Business Tax	P	O	O	P	P
Income Taxation	L	O	O	P	P



COURSE	Program Outcome Specific to Sub-Discipline (BSIA)				
	PO1	PO2	PO3	PO4	PO5
Professional Courses					
Project Management	P	O	O	O	P
Strategic Business Analysis	L	O	O	P	L
Auditing in CIS Environment	L	O	P	P	P
Forensic Accounting	L	O	P	P	O
Enterprise Risk Management	L	O	O	P	P
Sustainability and Strategic Audit	P	O	O	P	L
Internal Audit and Entity's Control Environment	L	O	O	P	O
Internal Audit Engagements	L	O	O	P	O
Advanced Internal Auditing; External Quality Assurance Review	L	O	O	P	P
Operations Auditing	L	O	O	P	P
Fraud Examination	L	O	O	P	P
Professional Electives					

Section 11. Sample Means of Curriculum Delivery

Educators delivering professional accounting education programs need to respond to the changing needs of the international accountancy profession as well as individual accountants. Hence, their teaching methods should focus on providing students with the tools for self-directed learning after they become accountants. Educators are free to adopt the methods that work best in their particular cultures. However, they may need to be trained and encouraged to use a broad range of learner-centered teaching methods that include:

- 11.1 Using case studies, projects and other means to simulate work situations;
- 11.2 Collaborative projects/working in groups;
- 11.3 Adapting instructional methods and materials to the ever-changing environment in which the accountant works;
- 11.4 Pursuing a curriculum that encourages self-learning so that students learn to learn on their own and carry out this skill with them after becoming accountants;
- 11.5 Using technology and e-learning;
- 11.6 Encouraging students to be active participants in the learning process;
- 11.7 Using measurement and evaluation methods that reflect the changing knowledge, skills, and values, ethics, and attitudes required of accountants;



- 11.8 Integrating knowledge, skills, values, ethics and attitudes across topics and disciplines to address many-sided and complex situations typical of professional demands;
- 11.9 Emphasizing problem identification and problem-solving which encourages identifying relevant information, making logical assessments and communicating clear conclusions;
- 11.10 Exploring research findings; and
- 11.11 Stimulating students to develop professional skepticism and professional judgment.

Accountancy Education programs need to include reflection when students are required to consider an experience, what went well, what did not work and what approach should be taken in the future in similar circumstances.

Delivering all of these teaching methods in a purely academic environment is not the only solution. Integration of education and practical experience can bring benefits by drawing on work-based examples to enable students to apply knowledge. A well-designed program of on-the-job training can deliver many of the required experiences. Supervisors, mentors and others involved in practical experience may need to be trained in the most effective way of planning practical experience.

Other learning methods include:

- a. Working in groups and in-office environments;
- b. Integration of professional knowledge, professional skills, and professional values, ethics and attitudes across topics and practice in problem solving; and
- c. Reflection and post-implementation work reviews as a means of learning.

Section 12. Sample Syllabi for Selected Accounting Education Course (*Please refer to Annex A*)

Section 13. Curriculum Standards

In implementing the minimum curricular standards, certain important implications should be kept in mind. These are:

- 13.1 The standards are intended to be flexible rather than restrictive. They provide a general framework within which each institution should design and develop a curriculum in the context of institutional strength, priorities, and commitment.
- 13.2 The standards are the minimum required of schools authorized by CHED to offer the BSIA Program. Higher standards are expected to be implemented by schools with deregulated status and those



designated as Centers of Excellence (COE) and Centers of Development (COD) in Accountancy Education.

- 13.3** Curriculum development is a dynamic and continuing process. Accounting education should not only keep pace with current realities but should anticipate changes that may take place in business and the accounting profession. The school should make provision for periodic re-examination and research to avoid curriculum obsolescence, preferably once every two to three years.
- 13.4** Curriculum content should be carefully selected so that the available time and resources are effectively utilized and only the appropriate and pertinent subject areas are included.
- 13.5** Correlation and integration of the different courses of study are essential to an effective educational program as well as to optimal student achievement.
- 13.6** The qualitative rather than the quantitative factors of education should be emphasized. The excellence of teaching, quality of students, broadening effect of the total curriculum, along with the development of integrity, professional attitudes, and a continuing desire to learn are more important than course labels, unit requirements, or subject groupings.
- 13.7** The curriculum for BSIA program should be consistent with the school's philosophy, mission and vision statement.
- 13.8** The curricular requirement for BSIA should follow the minimum number of units prescribed herein.
- 13.9** The HEI is free to enhance and to follow different patterns and modalities based on the needs of its clientele.
- 13.10** As a general rule, subjects offered as a three (3)-unit course should have an equivalent of a minimum of 14 contact hours per unit. No subject offered in a semester should exceed six (6) units.
- 13.11** Internal Auditing Internship should cover a minimum of 400-hours of mentored practical experience where the HEI should assign a mentor to each student. A mentor can be assigned at most twenty (20) student-mentees.

Internal Auditing Research (3 units) should be taken together with Internal Auditing Internship (6 units) and in no instance should the student be allowed to enroll in more than twelve (12) units during that term.

The internship should be covered by a memorandum of agreement between the HEI and the industry partner and should include a detailed Terms of Reference for the expected output between the intern and the industry partner.



Ideally, students should take internal auditing internship in their fourth (4th) year or last academic year.

13.12 The HEI is required to formulate and implement an appropriate admission policy for all students applying for BSIA. Likewise, the HEI should formulate and implement a retention policy to maintain the quality of the BSIA program.

13.13 Access to computers and multi-media materials as well as the Internet should be provided both to faculty members and students.

ARTICLE VI REQUIRED RESOURCES

Section 14. Administration

14.1 Qualification

The BSIA program shall be administered by a full-time Dean/Chair/Director, as the case may be, with the following appropriate qualifications:

- a. Filipino citizen with good moral character;
- b. Registered Professional Accountant in the Philippines with valid PRC Identification Cards and valid Certificate of Accreditation as Accounting Teacher or equivalent professional certification from a globally recognized professional organization for Internal Auditing;
- c. Teaching experience of at least five (5) years in the tertiary level, and preferably, two (2) years of administrative experience; and
- d. Holder of at least a master's degree in accountancy, or other related area of studies as identified in Section 5.5 hereof.
- e. A member in good standing of the accredited professional organization for Certified Public Accountants or equivalent professional organization for Internal Auditing.

Section 15. Faculty

The faculty should possess the educational qualifications, professional experience, classroom teaching ability, computer literacy, scholarly research productivity, and other attributes essential for the successful conduct of the undergraduate accounting program.

15.1 Qualifications

- a. All faculty teaching accounting courses should possess the following qualifications:
 1. Registered Professional Accountants in the Philippines with valid PRC Identification Cards;
 2. Holder of a valid Certificate of Accreditation as Accounting Teacher from the BOA/PRC;
 3. Holder of at least a master's degree in accountancy, or other related area of studies as identified in Section 5.5 hereof;



4. Must have earned twelve (12) units of professional education subjects or equivalent program (e.g. teaching and learning philosophies, test and measurements);
 5. Three years of relevant practical experience (in the fields of public practice, commerce and industry, or government);
 6. Member in good standing of the accredited professional organization for Certified Public Accountants; and
 7. Must be of good moral character.
- b. Any tenured / full time / full load faculty who does not meet qualifications **3** and **4** above shall be required to comply with the same within a period not exceeding three (3) years from the date of the issuance of this CMO.
 - c. Qualifications **2 to 3** above do not apply to special lecturers or adjunct faculty.
 - d. Faculty teaching professional courses in internal auditing should be a Registered Professional Accountants in the Philippines with current PRC Identification Cards or a professional certified by a globally recognized professional organization in internal audit or other related and appropriate fields.

15.2 Teaching Load

- a. The regular teaching load of full-time academic teaching personnel shall be determined by the higher education institution but shall in no case exceed 24 units per term.
- b. Faculty should not be assigned to teach more than three or occasionally, four different courses in any one term. Neither should there be too much variety in the courses assigned in any one year.
- c. De-loading from regular teaching may be allowed for administrative, research, or professional assignments without reduction in compensation.
- d. The teaching load of part-time or special lecturers teaching in more than one educational institutions shall in no case exceed 24 units per term in the aggregate. For this purpose, the HEIs should establish a monitoring system to ensure compliance.

15.3 Faculty Ranking and Evaluating

A system of ranking and evaluating faculty members should be instituted and implemented by the school.

- a. The faculty should be assigned academic ranks in accordance with suitable ranking criteria. The usually recognized ranks of collegiate faculty members are: instructors, assistant professors, associate professors, and professors.



- b. As a general rule, a new member of the faculty begins as an instructor and is subsequently promoted, if deserving. A new faculty member may immediately be appointed to any of the higher ranks if warranted by his/her qualifications.
- c. Faculty competence and performance should be periodically evaluated using appropriate evaluation instruments to promote the professional growth of individual faculty and provide a basis for advancement and salary adjustments.
- d. The probationary employment for full-time faculty who are academically qualified should be for a period of not more than three (3) years. Faculty members who have successfully passed this probationary period should be made permanent.
- e. After due process, faculty members who do not meet minimum standards of competence and performance, or who are found guilty of unprofessional conduct or of violating school regulations should be separated from service.

15.4 Faculty/Staff Development

There should be a formal development program to encourage and help faculty members keep up with new knowledge and techniques in their field, improve their teaching skills and course materials, and continue their professional growth.

The faculty development program should include provisions for, among others:

- a. Adequate and qualified supervision of faculty;
- b. Scholarships, sabbatical leaves, and research grants;
- c. Financial support for active membership in professional organizations, and attendance at continuing professional development (CPD) programs such as seminars, workshops, and conferences;
- d. In-service training courses;
- e. Periodic faculty meeting; and
- f. Participation in faculty committees.

In the end, the faculty should possess the educational qualifications, professional experience, classroom teaching ability, scholarly productivity, and other attributes essential for the successful conduct of the undergraduate accounting program.

As part of their professional development, accounting faculty should take it upon themselves to comply with the Continuing Professional Development (CPD) requirements of the profession.

- a. If the school itself offers graduate programs, it should provide its faculty members the opportunity to earn advanced degrees, with tuition fee privileges and other forms of assistance.
- b. Attendance at in-service training programs on official time shall be encouraged and records of such attendance shall be filed at the office of the dean/chairman/director, as the case may be.



15.5 Faculty Requirements

- a. At least thirty percent (30%) of the accounting education and professional subjects in the program should be handled by full-time faculty.
- b. There should be at least 3 full-time faculty who are CPA or are globally recognized and certified professional in internal audit and other related fields for CHED recognized BSIA program.

Section 16. Library

Library personnel, facilities and holdings should conform to existing CHED requirements for libraries which are embodied in a separate CHED issuance. The library must maintain a collection of updated and appropriate/suitable textbooks and references used for the core courses in the curriculum. Library resources should complement curriculum delivery to optimize the achievement of the program outcomes for the BS Internal Auditing program.

Section 17. Laboratory and Physical Facilities

The school must also provide for computer laboratories required for hands on training of the students. The laboratory floor space should be at least 2.0 square meters per student. For the computer laboratory, there should be no more than two (2) students per terminal or workstation. At least one of the laboratories should be a multi-user or a networked system. Likewise, one printer is required per fifteen (15) computers. Computers should also be provided for the use of the faculty.

The required computer hardware and software should be able to respond to the objectives of the subjects in the curriculum. They should conform to generally accepted industry standards and be capable of providing training in the micro, mid-range or main-frame environments. At least twenty percent (20%) of the equipment should have been acquired within the last three (3) years or upgraded to the latest technological standards.

ARTICLE VII COMPLIANCE OF HEIs

Using the *CHED Implementation Handbook for OBE and ISA* as reference, a HEI shall develop the following items which will be submitted to CHED when they apply for a permit for a new program:

- Section 18.** The complete set of program outcomes, including its proposed additional program outcomes.
- Section 19.** Its proposed **curriculum**, and its justification including a curriculum map.
- Section 20.** Proposed **performance indicators** for each outcome. Proposed measurement system for the level of attainment of each indicator.



- Section 21.** Proposed **outcomes-based syllabus** for each course.
- Section 22.** Proposed system of program assessment and evaluation
- Section 23.** Proposed system of program **Continuous Quality Improvement (CQI)**.

For existing programs, CHED shall conduct regular monitoring and evaluation on the compliance of HEIs to this Policies, Standards and Guidelines using an outcomes-based assessment instrument.

**ARTICLE VIII
TRANSITORY, REPEALING AND EFFECTIVITY PROVISIONS**

Section 24. Transitory Provision

All private HEIs, state universities and colleges (SUCs) and local universities and colleges (LUCs) with existing authority for Internal Auditing programs such as BS Internal Auditing, and other degree programs with majors in Internal Auditing are hereby given a period of (3) years from the effectivity thereof to fully comply with all the requirements in this CMO. However, the prescribed minimum curricular requirements in this CMO shall be implemented starting Academic Year 2018-2019.

Section 25. Repealing Clause

Any provision of this Order, which may thereafter be held invalid, shall not affect the remaining provisions.

All CHED issuances or any part thereof inconsistent with the provisions in this CMO shall be deemed modified or repealed.

Section 26. Effectivity Clause

This CMO shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation. This CMO shall be implemented beginning **Academic Year 2018-2019**.

Quezon City, Philippines May 9, 2017.

For the Commission:


PATRICIA B. LICUANAN, Ph.D.
Chairperson

Attachment:

ANNEX A- Sample Syllabus



ANNEX A

BACHELOR OF SCIENCE IN INTERNAL AUDITING Sample Course Syllabus in Intermediate Accounting III

Course Description:

This course is the culmination of Financial Accounting cluster. It deals with the preparation of general-purpose financial statements in accordance with generally accepted Philippine standards on financial reporting. It also covers reconstruction of accounts from incomplete records, change from cash basis to accrual basis of accounting, accounting changes, correction of errors, discontinued operations and segment reporting.

Credit: 3 Units

Prerequisite: Intermediate Accounting I and II

Course Learning Outcomes:

Upon completion of the course the students will be able to

A. Cognitive

1. prepare general-purpose financial statements that conform with the provisions of PAS 1 Presentation of Financial Statements
2. prepare financial statements from incomplete records / records from single-entry system
3. convert cash basis financial statements into accrual basis financial statements
4. apply the provisions of PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in accounting for the effects of accounting changes and correction of errors
5. explain accounting for discontinued operation as provided by relevant Philippine standards on financial reporting
6. identify reportable operating segments in accordance with PFRS 8 Operating Segments

B. Psychomotor

1. compute the total assets, liabilities and equity of an entity at a particular date, the comprehensive income or loss, the change in equity, and the cash flows during a given period
2. compute corrected profit or loss after correcting accounting errors
3. compute profit or loss using the cash basis and the accrual basis of accounting

C. Affective

1. comply with accounting standards in the preparation of financial statements and in accounting for changes and errors.
2. support the work of the Financial Reporting and Standards Council and the Philippine Interpretations Committee in the development of accounting standards and relevant implementation guidance.



Required Textbook and Resources:

1. Philippine Accounting Standards (PAS) and Philippine Financial Reporting Standards (PFRS) issued by FRSC.
2. International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by IASB.
3. SIC and IFRIC issued by IASC and IASB
4. PIC Questions and Answers prepared by PIC and approved by FRSC

References:

1. _____

Requirements:

1. Audited financial statements
2. Accounting researches / news articles on topics included in the course



DETAILED COURSE OUTLINE

Wk	Hrs	Topic	Learning Outcomes	Strategies/Activities	Assessment of Learning Outcomes
		<p>Classroom policies and introduction to the course</p> <p>Discussion of the course syllabus</p>	<ul style="list-style-type: none"> Identify and comply with the policies in Intermediate Accounting III to maximize learning Explain the relationship between and among various courses and Intermediate Accounting III 	<ul style="list-style-type: none"> Sharing of expectations from the teacher and the students Lecture/ discussion 	<ul style="list-style-type: none"> Students to submit reflection paper on their realization from the initial discussion
		<p>Financial reporting standards on the preparation and presentation of general purpose financial statements</p> <ul style="list-style-type: none"> Purpose of financial statements Complete set of financial statements General features of financial statements Identification of financial statements 	<ul style="list-style-type: none"> Explain the purpose of financial statements Identify composition of a complete set of financial statements Identify and explain the general features of financial statements and how they are applied in the preparation and presentation of financial statements Explain the structure of financial statements and how they are identified 	<ul style="list-style-type: none"> Lecture / discussion Students to prepare a summary of PAS/PFRS No. ____ Situational analysis that will require application of the concepts learned Students to obtain audited 2013 financial statements to be used as examples in the discussion of the standards relating to the preparation and presentation of financial statements 	<ul style="list-style-type: none"> Students to identify compliance or non-compliance of sample financial statements with provisions of PAS/PFRS No. ____ Students to submit a journal on their learning relating to the topic Students to answer exercises and problems on the topic Quiz on the topic
		<p>Statement of Financial Position and Notes</p> <ol style="list-style-type: none"> Definition/nature Elements Reporting classifications <ul style="list-style-type: none"> Current and Non-current assets Current and Non-current liabilities 	<ul style="list-style-type: none"> Identify the different elements of statement of financial position. Classify the elements of statement of financial position. Select the appropriate form to be used in preparing the statement of financial position Disclose information that 	<ul style="list-style-type: none"> Lecture/discussion Board work Sharing of researches / news articles relating to statement of financial position Students to solve problems on preparation of statement of financial position and 	<ul style="list-style-type: none"> Students to answer exercises, problems and cases relating to preparation of statement of financial position Students to submit a journal on their learning relating to the topic Quiz on the topic



	<ul style="list-style-type: none"> • Owners' Equity <p>4. Format</p> <p>5. Disclosure requirements</p>	<p>enhances understandability of the statement</p> <ul style="list-style-type: none"> • Prepare a properly classified statement of financial position and in accordance with the provisions of PAS/PFRS No. _____ 	<p>present work in class for critiquing by classmates</p>	
	<p>Statement of Comprehensive Income and the Statement of Changes in Owners' Equity</p> <ul style="list-style-type: none"> • Approaches to measurement of performance of an entity <ul style="list-style-type: none"> • Capital maintenance approach vs. physical maintenance approach • Transaction approach vs. economic approach • Elements of statement of comprehensive income <ul style="list-style-type: none"> • Revenue and gains • Expenses and losses • Other comprehensive income and losses • Methods of presenting expense in the statement <ul style="list-style-type: none"> • Nature of expense method • Function of expense method • Information to be presented on the face of the statement of comprehensive income • Statement of changes in equity <ul style="list-style-type: none"> • Information to be presented • Discontinued operations <ul style="list-style-type: none"> • Definition 	<ul style="list-style-type: none"> • Describe the nature of the statement of comprehensive income • Identify and differentiate the approaches in the measurement of income • Identify and describe the nature of the elements of comprehensive income • Prepare statement of comprehensive income using the nature of expense method and the function of expense method • Identify the information to be presented on the face of the statement of comprehensive income as provided in PAS/PFRS No. _____ • Describe the nature of the statement of changes in equity • Identify the information to be presented on the face of the statement of changes in equity as provided in PAS/PFRS No. _____ • Describe the nature of discontinued operations 	<ul style="list-style-type: none"> • Lecture / discussion • Board work • Sharing of researches / news articles relating to statement of comprehensive income and statement of changes in equity • Case analysis that will require applications of the provisions of PAS/PFRS No. _____ 	<ul style="list-style-type: none"> • Students to answer exercises and problems relating to preparation of statement comprehensive income, statement of changes in equity and discontinued operations • Students to submit a journal on their learning relating to the topic • Quiz on the topic

	<ul style="list-style-type: none"> Financial statement presentation 	<ul style="list-style-type: none"> Present discontinued operations in the statement of comprehensive income in conformity with PAS/PFRS No. ____ 		
<ul style="list-style-type: none"> PRELIMINARY EXAM 				
	<p>Statement of Cash Flows</p> <ul style="list-style-type: none"> Nature of the statement of cash flows Benefits of cash flow information Classification of activities presented in the statement of cash flows <ul style="list-style-type: none"> Operating activities Investing activities Financing activities Methods of presenting the statement of cash flows <ul style="list-style-type: none"> Direct method Indirect method Disclosure of non-cash transactions Other disclosures 	<ul style="list-style-type: none"> Describe the nature and significance of the statement of cash flows Identify and differentiate the three classification of activities presented in the statement of cash flows Classify business activities using the classification provided in PAS/PFRS No. ____ Prepare statement of cash flows using the direct method and the indirect method with the activities classified in accordance with PAS/PFRS No. ____ 	<ul style="list-style-type: none"> Lecture / discussion Board work Sharing of researches / news articles relating to statement of cash flows Case analysis that will require applications of the provisions of PAS/PFRS No. ____ 	<ul style="list-style-type: none"> Students to answer exercises and problems relating to preparation of cash flows Students to submit a journal on their learning relating to the topic Quiz on the topic
	<p>Cash to Accrual Accounting and Single-Entry System</p> <ul style="list-style-type: none"> Systems of record keeping <ul style="list-style-type: none"> Double-entry Single –entry Bases for preparation of financial statements <ul style="list-style-type: none"> Cash basis Accrual basis Modified cash/modified accrual 	<ul style="list-style-type: none"> Distinguish double-entry system to single-entry system and give examples of entities that adopt the systems Differentiate accrual basis from cash basis and modified cash / modified accrual basis. Prepare financial statements under the single-entry 	<ul style="list-style-type: none"> Lecture / discussion Board work Sharing of researches / news articles relating to the topic Students to find financial statements prepared on a cash basis Case analysis 	<ul style="list-style-type: none"> Students to answer exercises and problems relating to the topics Students to submit a journal on their learning relating to the topic Quiz on the topic

	<ul style="list-style-type: none"> Preparation of financial statement under the single-entry system Conversion of cash basis financial statements to accrual basis financial statements 	<ul style="list-style-type: none"> system Convert cash basis financial statements to accrual basis financial statements 		
	<p>Accounting Changes and Correction of Errors</p> <ul style="list-style-type: none"> Types of accounting changes and accounting for the effects of the change <ul style="list-style-type: none"> Accounting policies Accounting estimates Accounting errors <ul style="list-style-type: none"> Types of errors Correction of errors 	<ul style="list-style-type: none"> Differentiate change in accounting policy from change in accounting estimate Account for the effects of change in accounting policy and change in accounting estimate Disclose properly the effects of accounting changes and correction of errors in the financial statements 	<ul style="list-style-type: none"> Lecture / discussion Board work Sharing of researches / news articles relating to the topic Case analysis Review of the 2013 audited financial statements re: accounting changes 	<ul style="list-style-type: none"> Students to answer exercises and problems relating to the topics Students to identify types of changes reported in the financial statements they have on hand Students to submit a journal on their learning relating to the topic Quiz on the topic
	<p>Segment Reporting</p> <ul style="list-style-type: none"> Nature of interim reporting Content of an interim financial report Recognition and measurement of selected income and expense items for interim financial reporting purposes Nature of operating segments Measurement of results of operations of reportable operating segments Disclosure requirements for operating segments 	<ul style="list-style-type: none"> Describe the nature of operating segments Identify criteria to be applied in determining reportable operating segments Enumerate the required disclosures in reporting operating segments 	<ul style="list-style-type: none"> Lecture / discussion Board work Sharing sample financial statements of companies with reportable operating segments Case analysis 	<ul style="list-style-type: none"> Students to answer exercises and problems relating to the topics Students to study and to comment financial statements of companies with reportable operating segments Students to submit a journal on their learning relating to the topic Quiz on the topic
FINAL EXAMINATION				



EXPECTATIONS FROM STUDENT:

The student's responsibility is to come to each class prepared. S/he is also expected to take all examinations on the date scheduled. S/he should read the assigned problems prior to class. She is expected to attend each class and participate actively in the discussions.

ACADEMIC DISHONESTY

All students are expected to be academically honest. Cheating, lying and other forms of unethical behavior will not be tolerated. Any student found guilty of cheating in examinations or plagiarism in submitted course requirements will receive an F or failure in the course requirement or in the course. Plagiarism refers to the use of books, notes or other intellectual property without giving proper attribution to its author, or representing the work of another person as one's own; Cheating refers to securing help in a test; copying tests, assignments, reports or term papers; collaborating with other students during an examination or in preparing academic work; signing another student's name on an attendance sheet; or otherwise practicing scholastic dishonesty.

POLICY on ABSENCES

The allowed number of absences for students enrolled in a 1 ½ hour class is _____. Request for excused absences or waiver of absences must be presented upon reporting back to class. Special examinations will be allowed only in special cases, such as prolonged illness. It is the responsibility of the student to monitor her/his own tardy incidents and absences that might accumulate leading to a grade of "FA." It is also her responsibility to consult with the teacher, chair or dean should her/his case be of special nature.

GRADING SYSTEM:

	1st half	2nd half	Final Grade
QUIZZES			
RESEARCH ARTICLES, ASSIGNMENTS, JOURNALS			
MAJOR EXAMINATIONS			
TOTAL			100%



Prepared by:	Approved by:	Noted by:
Faculty Member	Chairperson	Dean

I have read the course syllabus and I understand that I have to comply with the requirements of the course and the expectations from me as a student of Intermediate Accounting III during the First Semester of AY _____. I am fully aware of the consequences of non-compliance with the abovementioned requirements and expectations.

Printed name and signature of student

Date

I have read the course syllabus and I understand that I have to comply with the requirements of the course and the expectations from me as a student of Intermediate Accounting III during the First Semester of AY _____. I am fully aware of the consequences of non-compliance with the abovementioned requirements and expectations.

Printed name and signature of student

Date

