# ABSTRACT

This research aims to define the desired competency of Internal Shariah auditing in order to achieve the main purpose of the research which is exploring Internal Shariah auditing practices through Rahmatan Lil Al'amin Principle in Indonesian Islamic Bank. Moreover, determine their assurance and compliance for Shariah to implement Shariah Governance. This study qualitative research use Phenomenological research is experienced from the perspective of the individual. It focuses on description more than explanation. The purpose is to identify the ways perception influences how people interact with what they encounter. Methods include interviews, conversations, participant observation and focus meetings. This can be done by having clear understanding on the concept, principles, objectives and approach on Shariah audit. Also, the study intends to assists standard regulatory bodies in determining appropriate enhancement program and certification requirements to be possessed by the internal auditors before they can conduct Shariah audit that based on Rahmatan lil alamin principle (RLAP). The findings of this research can conclude with the following. Firstly, Inserting RLAP in the ISA proficiency which is the aim of Shariah Allah SWT Subhanahu wa Ta'ala through Prophet Sallallahou Alayhe Wasallam (ﷺ). Secondly, proposed new model for the competency and code of ethics for internal Shariah Auditing in Indonesia for assurance and compliance Shariah products which is from create efficient Shariah Governance framework as a standard in Indonesia for all Islamic Bank. The main contributions of this study to extent the literature, in addition the study hopes to assist standards regulatory bodies in setting up the relevant standards and audit program with regards to Shariah audit through the RLAP. Furthermore, outline the challenges of ISA and support with the new model could be include for Shariah Governance framework.

Keywords: Shariah, competency, Internal Shariah auditing (ISA), Shariah Governance (SG), Rahmatan lil alamin principle (RLAP).