Developing Pathways For
The Professional Development of
Auditors in a Supreme Audit Institution (SAI)

Utilising the INTOSAI competency framework to develop public sector audit professionals in the most context-appropriate way.

INTOSAI
Capacity Building
Committee

AFROSAI-E

TABLE OF CONTENTS

QUALITY ASSURANCE CERTIFICATE; CHAIR OF THE TASK-FORCE ON INTOSAI AUDITOR PROFESSIONALISATION (TFIAP)

All INTOSAI public goods that is not intended for inclusion in the INTOSAI Framework of Professional Pronouncements (IFPP), must adhere the requirements set out in the paper on ''Quality Assurance on Public goods developed outside Due Process", approved by the INTOSAI Governing Board in November 2017.

The guide on "Developing pathways for the professional development of auditors in a Supreme Audit Institution (SAI)" adhere to these requirements, at level 2. A document at this level would not have been subjected to quality assurance requirements similar to that required in the INTOSAI due process, but would nonetheless have been finalised with cognisance of the following assurance considerations:

- Representation – the task-force represented the different groupings in INTOSAI as well as possible, ranging from the formal structures such as the general secretariat and the goal committees, the INTOSAI Development Initiative (IDI), INTOSAI Regional Organisations to SAIs that represented the different models of auditing in INTOSAI, regions, sizes of organisations, etc. In addition, membership of the task force remained open to any interested party.
- Structured work-plan – the work-plan was formalised and confirmed with all representatives in a document called the TFIAP strategic outline (2016 to 2019).
- Openness and transparency – work-progress and interim deliverables have been openly shared on the INTOSAI CBC web-site and formally reported on to both the INTOSAI CBC Steering Committee and the INTOSAI Governing Board.
- External stakeholder representation – External stakeholder have been part of the taks-force since inception and included the likes of IFAC, the IIA and the GIZ.

- Liaison with the Forum for INTOSAI professional pronouncements – given the ambition of INTOSAI to transition the current work of the TFIAP into the IFPP as pronouncements on audit competence, a representative of the Forum for INTOSAI Professional Pronouncements (FIPP), in the person of a dedicated liaison officer for this project stream, has worked with the task force since its inception.
- Work-method – the task force meetings have been run in a format of work-sessions that informed further developments, which was tested formally after each task force meeting, in a process in internal review and commenting. In addition, the work done by the task force could be tested against the outcome of independent research on the topics at hand, commissioned by the GIZ.
- Exposure – the final draft of the document was exposed to the full INTOSAI community for a period of two months in the period before INCOSAI 2019. All commentary was responded to and, where relevant, the document was amended and updated.

To the extent relevant, the guide developed is consistent with relevant INTOSAI principles, standards and practices.

The product is valid till INCOSAI 2025, if not revisited already in the process of transitioning this work to the level of the IFPP. If it is not reviewed and updated by December 2025, it will cease to be a public good of INTOSAI developed outside the Due Process.

_____   _____

Jan van Schalkwyk   **Date**
Chair of the Task Force on INTOSAI Auditor Professionalisation
Corporate Executive: Supreme Audit Institution of South-Africa

QUALITY ASSURANCE CERTIFICATE; CHAIR OF THE INTOSAI CAPACITY BUILDING COMMITTEE

Based on the assurance provided by the Chair of the Task Force on INTOSAI Auditor Professionalisation and an assessment by the me, in my capacity as the Chair of the INTOSAI Capacity Building Committee, it is certified that the guide on "Developing pathways for the professional development of auditors in a Supreme Audit Institution (SAI)" adheres to the requirements of the paper on "Quality Assurance on Public goods developed outside Due Process" approved by the INTOSAI Governing Board in November 2017, at level 2.

A document at this level would not have been subjected to quality assurance requirements similar to that required in the INTOSAI due process, but would nonetheless have been finalised with cognisance of the assurance considerations in the statement, which I have overseen.

The product is valid till INCOSAI 2025, if not revisited already in the process of transitioning this work to the level of the IFPP. If it is not reviewed and updated by December 2025, it will cease to be a public good of INTOSAI developed outside the Due Process.

_____   _____

Kimi Makwetu   **Date**
Chair of the INTOSAI Capacity Building Committee
Auditor-General of South-AFrica

EXECUTIVE SUMMARY

There is a well-known saying that too many cooks can spoil the broth. Another equally familiar adage is that many hands make light work. In the case of this document, the latter saying applies. It is thanks to the involvement and interest of many INTOASAI members, all of whom have the best interests of public auditing at heart, that this project is coming to fruition.

The professional development of auditors is central to the work of Supreme Audit Institutions (SAIs). In describing the role of SAIs, International Standards for Supreme Audit Institutions (ISSAI) 12 introduces public sector auditing as follows:

"Public sector auditing, as championed by the Supreme Audit Institutions (SAIs), is an important factor in making a difference to the lives of citizens. The auditing of government and public sector entities by SAIs has a positive impact on trust in society because it focuses the minds of the custodians of public resources on how well they use those resources. Such awareness supports desirable values and underpins accountability mechanisms, which in turn leads to improved decisions. Once SAIs' audit results have been made public, citizens are able to hold the custodians of public resources accountable. In this way SAIs promote the efficiency, accountability, effectiveness and transparency of public administration. An independent, effective and credible SAI is therefore an essential component in a democratic system where accountability, transparency and integrity are indispensable parts of a stable democracy."

A cornerstone of the credibility of SAIs, and ultimately the relevance of the work they do to make a difference to citizens' lives, has always been the development of the appropriate capacity at SAI level to deal with the organisation's mandate. Accordingly, the INTOSAI strategic plan 2016 to 2022 tasked the INTOSAI Capacity Building Committee (CBC) to deal with this development challenge. Among a number of key objectives assigned to this committee, the strategic plan specifically focused on the professional development of public sector auditors. To quote: it is critical to "strengthen structured INTOSAI professional development as an anchor for professional capacity development and potential INTOISA auditor professionalisation".

In the period 2013 to 2016, the INTOSAI CBC laid the foundation for its work in this regard by formulating an initial INTOSAI competency framework and finalising a position paper on professionalisation in the INTOSAI community ('The enabling mechanisms required to facilitate professional development at SAI level'.) These two deliverables led INTOSAI to ask the INTOSAI CBC, through its Task Force on INTOSAI Auditor Professionalisation (the TFIAP), to proceed with this work by:

- Further developing the INTOSAI competency framework, in two ways. One was to add reflections on the work done by SAIs with jurisdictional responsibilities to the framework. The other was to test the appropriateness of the original framework in a pilot project, handled by the INTOSAI Development Initiative (the IDI), and

- Providing guidance on the utilisation of the INTOSAI competency framework at SAI level to formalise and structure the professional development of public sector auditors.

In this document, INTOSAI provides guidance to SAIs on four aspects of professionalisation:

- the development of a SAI-level competency framework, based on the core principles of the INTOSAI competency framework but tailored to the unique circumstances, mandate and requirements of the specific SAI (chapter 2),
- The impact of the SAI-level competency framework on human resource processes within the SAI (chapter 3),
- The options available in structuring specific pathways for professional development at SAI or INTOSAI regional level, based on feedback from SAIs and specific research conducted in this regard (chapter 4), and
- the process considerations, at the level of principles, that a SAI should take into account in designing its own pathway for professional development (chapter 5).

In addition, the document also deals with the ambition of adopting specific professional pronouncements on auditor competence in the INTOSAI community, within the foreseeable future (chapter 5).

INTOSAI and the broader auditing profession have a wealth of information and good practices regarding auditor professionalisation. The TFIAP tapped into this know-how throughout the course of its work. The result, it is hoped, is a structured guide that can add value to the development of audit professionals in public sector auditing.

TFIAP expresses appreciation to all who have participated in the development of this guide. Many able minds made this document possible.

1 BACKGROUND AND PURPOSE

The concept of further professionalisation of Supreme Audit Institutions (SAIs) has dominated the agenda of the International Organisation of Supreme Audit Institutions (INTOSAI) for the better part of the past decade.

Many different definitions of a profession or professionalism exist[1]. An example is the position paper titled "The enabling mechanisms required to facilitate and structure professional development at SAI level[v]".This paper took stock of current developments in public auditing, as well as the challenges facing the INTOSAI community in its further professionalisation. In the context of the current INTOSAI discourse on professionalism, the paper referred to the following four elements:

THE 4 FUNDAMENTALS FOR PROFESSIONALISM

Working Environment
That is Appropriate.

Audit Standards
To Execute Mandate.

Performance Measurement
That is Holistic.

Competent People
To Execute Mandate.

This document focuses specifically on the area of developing competent people to execute the SAI's mandate.

During the XXII INCOSAI in Abu Dhabi, delegates considered the implications of the enabling mechanisms position paper and the newly developed INTOSAI "Competency Framework for Public Sector Audit Professionals at Supreme Audit Institutions" (referred to as the INTOSAI competency framework in the remainder of this document). The gathering decided to establish a Task Force on INTOSAI Auditor Professionalisation (TFIAP), requesting this group to:

- Conduct further research with a view to developing a roadmap towards the development/adoption of INTOSAI \ professional pronouncements (standards and guidance) on auditor competence,
- Further refine the INTOSAI competency framework and to guide its utilisation in creating opportunities for the professional development of auditors in SAIs,
- Deal with the competency requirements for SAIs with Jurisdictional Responsibilities, and
- Develop practical guidance (in addition to 2 above) to guide the creation of opportunities for the professional development of auditors in SAIs.

At the same time, based on the 2016 INTOSAI competency framework, the INTOSAI Development Initiative (IDI), in consultation with the INTOSAI CBC, was tasked with the development of a pilot professionalisation initiative. This work culminated in the current "Professional Education for SAI Auditors" (PESA) project. Over and above the benefits of this project in testing and confirming the 2016 INTOSAI competency framework, the project provides an excellent testing ground for some of the concepts and ideas expressed in this document.

This document deals with (1) and (4) above, by defining what competence means within a SAI, as well as outlining the processes and tools a SAI requires to develop these competencies. Requirements (2) and (3) have been dealt with by a separate workstream of the Task Force, headed by SAI Senegal.

The adoption of International Standard for Supreme Audit Institution 12s, which deals with the "value and benefits of SAIs – making a difference to the lives of citizens" (ISSAI 12), represents an early milestone in INTOSAI's quest for further professionalisation. In this standard, INTOSAI uses 12 very specific principles to outline a current view of the relevance of SAIs. The standard goes hand in hand with the SAI Performance Measurement Framework (SAI PMF), a tool that assesses SAIs against the basic principles of ISSAI 12.

This concept of being able to assess a SAI against a set of globally recognised criteria is similar to how many other international organisations approach the professionalism of their member organisations. The International Federation of Accountants (IFAC), for example, requires its member organisations to comply with seven Statements of Member Obligations (SMOs) to either prove that they are "members in good standing" in their professional environment or that they have identified and are working on their capacity development needs.

The principles of ISSAI 12 can therefore serve as a good definition of a professional SAI by characterising a well-functioning and relevant SAI. The equivalent of the SMOs referred to above is the SAI Performance Measurement Framework (SAI PMF), the assessment tool developed based on ISSAI 12. The outcome of a SAI PMF review should give a good indication of a SAI's relevance in terms of international benchmarks and, by implication, the strength of its professional standing.
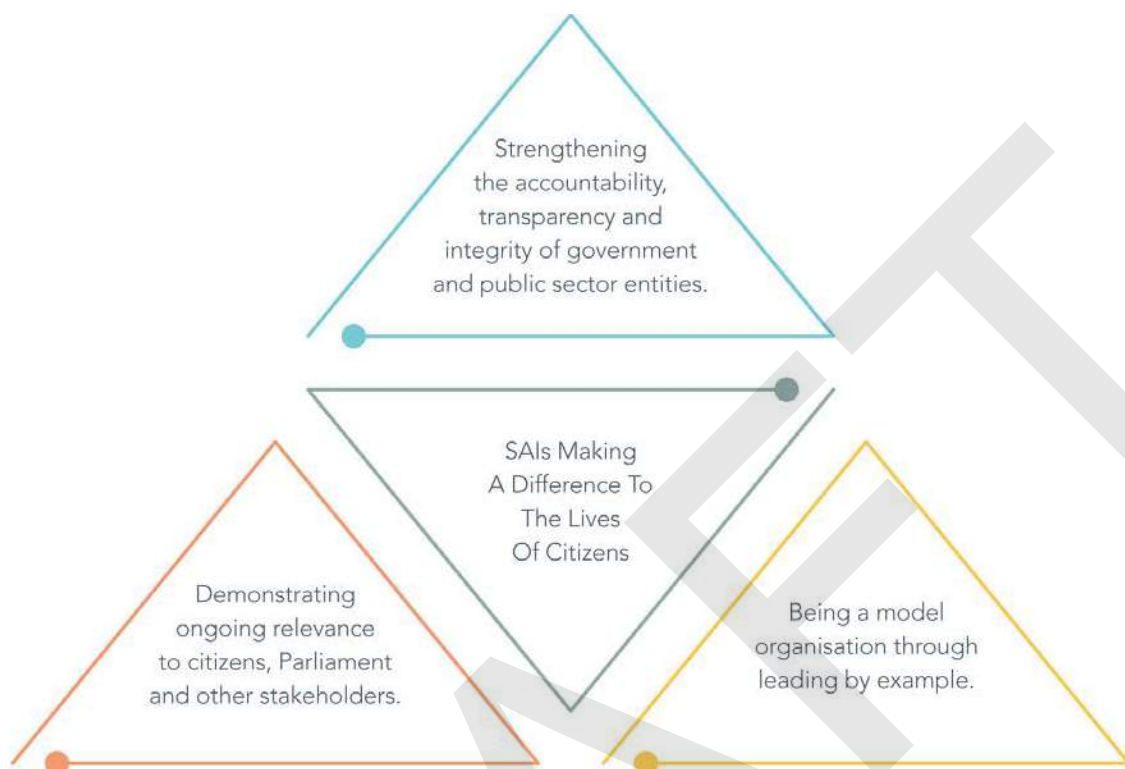
One of the twelve principles in ISSAI 12 confirms the importance of ongoing learning and knowledge-sharing as a means of ensuring that each SAI has (and continues to have) appropriately competent people to handle its unique mandate. Having competent people is a critical element of being a professional SAI. In the absence of a professional environment, individual staff members within a SAI will in all probability find it very difficult to attain a professional level of competence.

---

[1]Three widely quoted yet different models of professionalism exist and, because they provide an excellent backdrop for the topic covered in this document, are shared - Greenwood (1957) characterised professional disciplines by their unique characteristics: a systematic body of theory, professional authority and sanction of the community, a regulatory code of ethics, a professional culture, and a sense of social duty; Flint (1988) proposed a somewhat similar model including skills and knowledge based on advanced education; a necessary qualification to obtain competence and authority to practice; objectivity, impartiality and integrity; and a code of good conduct ensuring standards of competence and discipline; Albrecht (2006) defined the professional role in more personal terms as situational awareness, presence, authenticity, clarity and empathy.
[2]Available on www.intosaicbc.org In the remainder of this document, the position paper is referred to as the "enabling mechanisms position paper".
[3]See a detailed discussion in this regard in the INTOSAI Capacity Building Committee's enabling mechanisms position paper.

ISSAI 12: THE VALUE AND BENEFITS OF SUPREME AUDIT INSTITUTIONS – MAKING A DIFFERENCE TO THE LIVES OF CITIZENS

Strengthening the accountability, transparency and integrity of government and public sector entities.

SAIs Making A Difference To The Lives Of Citizens

Demonstrating ongoing relevance to citizens, Parliament and other stakeholders.

Being a model organisation through leading by example.

Principles

1 Safeguarding the independence of SAIs.

2 Carrying out audits to ensure that government and public sector entities are held accountable for their stewardship over, and use of public resources.

3 Enabling those charged with public sector governance to discharge their responsibilities in responding to audit findings and recommendations and taking appropriate corrective actions.

4 Reporting on audit results and thereby enabling the public to hold government and public sector entities accountable.

5 Being responsive to changing environments and emerging risks.

6 Communicating effectively with stakeholders.

7 Being a credible source of independent and objective insight and guidance to support beneficial change in the public sector.

8 Ensuring appropriate transparency and accountability of SAIs

9 Ensuring Good Governance of SAIs.

10 Complying with the SAI's Code of Ethics.

11 Striving for Service Excellence and Quality.

12 Capacity building through Promoting Learning and Knowledge Sharing.

During the period 2014 to 2016, INTOSAI developed an INTOSAI competency framework as a key enabler for the development of competent staff. This framework defines competence as the measurable or observable knowledge[4], skills[5] and personal attributes[6] critical to successful job performance. It also made a clear distinction between core competencies and discretionary competencies.

Core competencies, in INTOSAI terms, refer to the knowledge, skills and personal attributes that bind the community together as public sector auditors. These are based on the ISSAIs and should be universally applicable to all SAIs.

Discretionary competencies are those competencies that make each and every SAI unique. It is well accepted throughout the INTOSAI community that, as much as SAIs share commonalities in the work that they do to make a difference to the lives of citizens, they have differing mandates, differing enabling legislation, differing requirements relating to public finance management, differing needs and different methodologies and practices, etc. These discretionary competencies have not been defined in the INTOSAI Competency Framework and it is up to the individual SAI, or the INTOSAI regional organisation to which it belongs, to combine these core and discretionary competencies in a unique profile that will be relevant to that SAI. This combination process is described in chapter 2 of this guide.

At a core level, agreement on the unique competencies that bind together a global profession is a primary consideration for professionalism. A further consideration is the consistent application of a number of core principles or process steps that should underpin the development of competencies in a global profession. These principles or steps would normally be confirmed at the level of standards or professional pronouncements. INTOSAI has already pronounced on the initial INTOSAI competency framework that should unite INTOSAI members as a global profession. This second consideration, concerning core principles or process steps underpinning competency development, is addressed through INTOSAI's commitment to explore the need for professional pronouncement on auditor competence as part of the INTOSAI Framework of Professional Pronouncements (IFPP)[7].

It is very clear that the definition of competence can differ from SAI to SAI. The way in which competence is "proven" can therefore also differ from SAI to SAI – hence the reference in the title of this document to "pathways for professional development". While there is a temptation to sometimes think about a competent staff member in terms of a professional qualification or a professional designation, that may not necessarily be the only indicator. There may be various other ways in which competence can be developed and/or confirmed.

In keeping with the principle of "global profession, local solution", this document explores how SAIs can utilise the INTOSAI (core) competency framework to:

- develop a SAI-specific competency framework that addresses their unique requirements and needs in a complete and tailored manner,
- use this SAI-specific competency framework to enhance their human resource management (HRM) practices, and
- develop specific pathways for auditor professionalisation within each SAI.

SAI leadership's commitment to actively and visibly lead any professionalisation drive is of critical importance to the success of such interventions. This guide aims to empower SAI leadership for this challenge, especially when considering how best to formalise and improve the professional development of its staff in a way that is most appropriate to that SAI.

---

[4]Knowledge is the theoretical and/or practical understanding of a subject.
[5]Skills are the proficiencies developed through learning interventions and/or experience.
[6]Personal attributes refer to the qualities, characteristics or traits of a person.
[7]See decisions related to the INTOSAI competency framework made during 2016 INCOSAI
[8]More detailed guidance, aimed at the level of the Human Resource Management (HRM) department within a SAI, will follow with the imminent revision of the INTOSAI CBC's HRM guide.

2 CREATING CONTEXT FOR THE INTOSAI COMPETENCY FRAMEWORK

As mentioned in the introductory chapter, the INTOSAI competency framework focuses exclusively on defining the uniqueness of a public sector auditor / SAI professional. This is done in the context of a set of core competencies based on the requirements of the ISSAIs. To arrive at a complete picture of a SAI's competency needs, the SAI will have to supplement the requirements set out in the INTOSAI competency framework (section 2.1) with its own requirements. These are twofold:

- Competencies that are unique to the SAI. (Refer to section 2.2), and
- The SAI's thinking about the underlying foundation of knowledge and skills required to ensure the appropriate application of unique competencies (refer to section 2.3).

Once the SAI has a full picture of its competence requirements, these requirements can be split into knowledge, skill and attributes, making it easier to design a pathway for professional development (refer to section 2.4).

2.1 THE INTOSAI COMPETENCY FRAMEWORK

The "core of public sector auditing" is defined in the INTOSAI competency framework and deals with the uniqueness of the public sector, over and above the generic subject matter or SAI-specific expertise. This framework is available separately on the web-site of the INTOSAI CBC (www.intosaicbc.org).

INTOSAI "CORE" COMPETENCY FRAMEWORK

Cross-Cutting Competencies for SAI Audit Professionals

Competencies For Audit Professionals Involved In Compliance Audit

And / or

Competencies For Audit Professionals Involved In Financial Audit

And / or

Competencies For Audit Professionals Involved In Performance Audit

And / or

Competencies For Audit Professionals Involved In Jurisdictional Responsibilities

Even though the framework consists of a set of core, cross-cutting competencies that should apply to all SAIs, each SAI would still need to make some initial choices of its own. It would have to decide which of the three vertical legs of the framework, representing the different streams of auditing, apply to it. Based on the feedback received from several SAIs, it may also be possible to combine or integrate some of the streams of auditing.

Following this basic step of combining the cross-cutting competencies with the types of auditing that the SAI will be undertaking, the SAI then needs to start adding to this framework.

2.2 COMPETENCIES THAT ARE UNIQUE TO THE SAI

To ensure the relevance of the framework and tailor it to the needs of the SAI, it is necessary to add certain discretionary competencies (competencies unique to the SAI) to the core competencies (as per the INTOSAI competency framework). Doing this entails considering the external environment and the SAI's own needs, team and individual requirements, as shown in the diagram:

Environment   SAI   Team   Individual
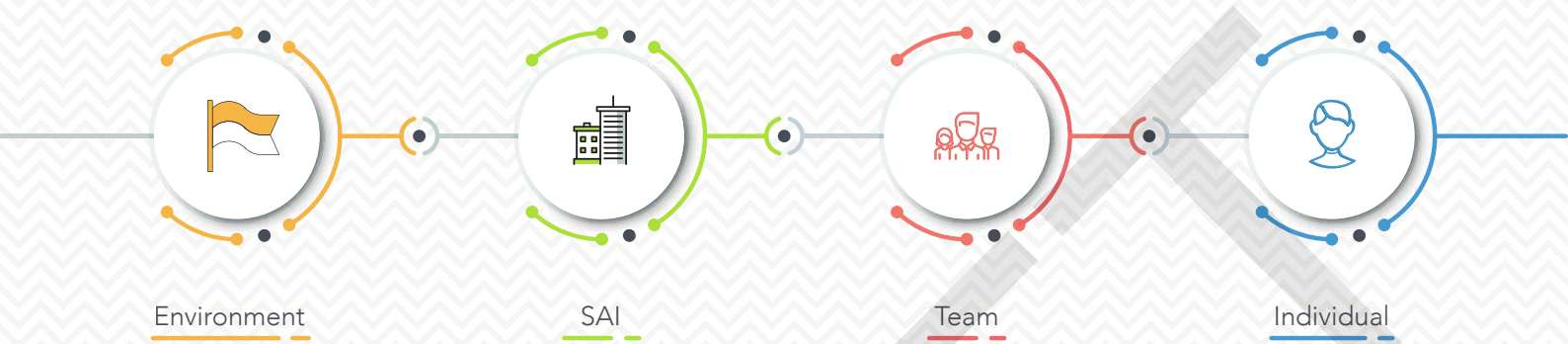
HERE ARE SOME EXAMPLES OF FACTORS TO CONSIDER:

Environment

- Constitution of the country
- Public Finance Management (PFM) legislation of the country
- The national development plan / strategy of the country
- The enabling legislation of the SAI
- The mandate of the SAI
- The type, nature and scope of audits that the SAI should perform
- The expectations of the SAI's stakeholders

SAI

- SAI strategy and performance agreements
- SAI audit methodology
- SAI policies and procedures
- SAI technology
- SAI values

Team

- Availability of competent staff in the country/ organisation
- Competence requirements posed by the type of auditees in the audit portfolio
- Extent of computerisation at auditees
- Availability of specialist skills in the SAI to support the team
- The implications of the SAI's resource planning practices (e.g. the need to attend to the professional development of trainees, and size and competence of teams)
- Unique requirements (such as licensing when handling the audits of listed companies)

Individual

- Specific personal abilities, attributes and aptitudes
- Specific managerial and/or leadership requirements
- Cultural considerations
- Specific development needs/implications of career development
- SAI's thinking about the auditor of the future

In the INTOSAI competency framework, the analysis of competencies is pitched specifically at the level of an audit professional. In other words, the person targeted is an individual who is fully competent to handle all aspects of the audit process carried out in terms of the ISSAIs.

Ideally, this framework should be relevant beyond ensuring that an audit professional has the competencies to carry out his or her immediate responsibilities. The framework should also start equipping the audit professional for his/her future role in the managerial ranks of the organisation. To this end, it is necessary to include specific managerial and leadership competencies in the framework. Here, it may be helpful to think about these competencies according to the following guiding elements:

- Personal attributes required at a managerial level – being authentic, inspiring, resilient, serving, etc.
- General managerial considerations – decisiveness, ability to enable productivity, encouraging teamwork, etc.
- People management considerations – being consistent, ensuring quality, providing clear direction, empowering others, mentoring, etc.
- Strategic leadership considerations – strategic judgement, strategic thinking, results-driven, influencing stakeholders, etc.
- Public sector leadership considerations – influence in public sector, awareness of external political dynamics, etc.

This step is a critical requirement for moving from a very generic public sector audit view in the INTOSAI competency framework to a specific and complete view of an audit professional unique to the specific SAI.

In making this refinement, there is always the risk that the analysis of competencies may become so detailed and complex that it dilutes the value of the framework. Throughout the context phase, therefore, it is essential to:

(a) prioritise critical competencies (document only those competencies that will be required to recruit or develop an audit professional who can cope with the mandate and expectations of the SAI), and

(b) keep the level of detail and complexity commensurate with the level of investment that the SAI (or region) is able or prepared to make. In short, there should be moments to test whether the tailored framework still represents a workable solution for the SAI.

2.3 THE UNDERLYING FOUNDATION OF KNOWLEDGE AND SKILLS REQUIRED TO ENSURE THE APPROPRIATE APPLICATION OF ALL THE ABOVE-MENTIONED COMPETENCIES.

The INTOSAI competency framework assumes a foundation of knowledge and skills that underpins the unique public sector auditing competencies. The decision around this underlying knowledge and skill will depend on the strategic choice that the SAI makes between hiring at a generalist audit level or at a specialist audit level. If the level is generalist, there will not necessarily be a correlation between the subject matter expertise and the audit stream that the person works in. For a specialist audit level, one would expect a stronger correlation. Each of these has its own benefits and drawbacks, which need to be taken into account in the context of the functioning of the SAI.

An example is the competency considerations for a financial auditor. The underlying knowledge and skill that will ensure the appropriate application of the competencies outlined in section 2.1 and 2.2 above, will in all probability imply at least a generic knowledge of accounting and auditing, perhaps enhanced with some exposure to commercial law and economics. In many SAIs, this may translate to an "entry requirement" in the form of a graduate-level qualification for the environment (or a job level) Building on that, there would be a specific process to add public sector financial audit competencies to the person's profile.

Similarly, in considering the competency requirements for a performance auditor, the underlying knowledge and skill requirement may be linked to the area within which the person will audit. This may imply that a performance auditor who deals with the auditing of big infrastructure projects would enter the organisation as an engineer. On top of that, there would be a process to equip him/her with specific public sector performance audit competencies.

In both instances, an understanding of the public sector environment will be essential. Again, this understanding may be the result of studying in public management (or public administration), working in a public sector environment or being exposed to the requirements of this sector through specific interventions within the SAI.

It may be tempting to equate this subject matter expertise with the requirement for a specific qualification for entry into the organisation and/or a specific job level. However, it is better to fully tailor the framework to the requirements of the SAI, and then make an informed call on qualification requirements (see section 2.4 below).

The complete, tailored SAI competency framework should now consist of the following key elements:

Core

- The horizontal cross-cutting competencies from the INTOSAI compe tency framework,
- The relevant vertical legs from the INTOSAI competency framework, reflecting audit-type specific competencies linked to the type of auditing that the SAI will undertake, as per its mandate,

Discretionary

- Country/SAI specific requirements, based on the four levels of environment, SAI, audit team and individual auditor,
- Specific, relevant managerial/leadership competencies, and
- The underlying foundation of knowledge and skills required of the audit professional in the specific SAI to ensure the appropriate application of the auditing competencies

At this point, it is critical for the SAI leadership to reflect on whether this framework provides a clear enough and complete representation of the typical auditor required to implement the SAI's mandate, in line with its strategy. Depending on the preference of the SAI leadership, this could entail documenting the current state of auditing in the SAI or, if the strategy is more aspirational and development-focused in nature, the future desired state.

It is acknowledged that the framework, at this point, reflects only an overall view for the organisation. More work is required to match this framework to specific job levels and to allow for proper career progression. This is most appropriately achieved through a process of job profiling. In essence it entails:

- Describing each role within the organisation,
- Outlining detailed job responsibilities for each role,
- Linking the job responsibilities for each role to specific, relevant and prioritised competencies, and
- Being specific as to the qualifications and experience required for each role.

An alternative (and potentially less complex) way to handle this may be to further define proficiency levels per competency. Here is an example:

- Foundational level (staff/trainee/entry level),
- Intermediate level (supervisor/manager level),
- Advanced level (senior manager level), and
- Expert level (executive level).

The first option may be more suited to traditional, hierarchically based roles and functions, while the second option may be more applicable to tasked-based roles and functions.

As emphasised in the introductory section of this document, the focus has been on developing professionalisation pathways for auditors, with reference to the ISSAI framework. In the context of the professionalisation of a SAI, it is important to embark on a similar exercise for specialist audit functions and support functions. Specialist audit functions would include forensic auditing, computer auditing, environmental auditing, etc. Support functions would be human resource management, finance, procurement, information technology management, communications and media management, etc).

2.4 ANALYSING THE COMPETENCY REQUIREMENTS AS SPECIFIC KNOWLEDGE, SKILL AND PERSONAL ATTRIBUTE REQUIREMENTS.

In developing the INTOSAI competency framework, the competencies were described in terms of observable behaviour. If this framework were to be used to recruit professional staff, or to develop a specific professionalisation pathway in the SAI, it would be necessary to split the competency framework into the following components:

- Knowledge – which will give an indication of the qualification required for the specific job and/or the specific knowledge-based elements of learning that need to take place,
- Skills – which will provide insights into the practical experience that is required/need to be developed for the specific job, through specifically agreed on (and monitored) on-the-job exposure, and
- Personal attributes – which will give insights into the personal attributes of the person recruited for a position or that need to be developed.

When splitting the competencies into their component parts (knowledge, skills and personal attributes), the SAI should consider how it will assess these components, as this will guide the design of the related development programme.

Assessment is the process of gathering evidence that an individual has demonstrated the professional competencies required for their role. This process will usually include a combination of different assessment activities. The selection of these activities may vary for different competencies and for different components of competencies. For example, while it may be possible to assess knowledge through objective online testing, professional attributes may be better assessed on-the-job.

When planning assessment activities, a SAI should also consider the levels of integration that can be demonstrated between knowledge, skills and personal attributes and between different competencies (e.g. applying professional scepticism when evaluating criteria in a performance audit).

Credible assessment activities will produce an outcome that is consistent with the learner's true competence in the context of the needs of the SAI. To be credible, the assessment activities should demonstrate the following:

- Reliability - the assessment activities must produce substantively the same result given the same set of circumstances,
- Verifiability - the assessment activities must generate documented evidence of achievement of the assessment outcome, and
- Comprehensiveness - the assessment activities must cover all relevant competencies and their component parts.

Types of assessment activities include written examinations, oral examinations, online testing, on-the-job assessment, and/or a review of a portfolio of evidence of workplace activities.

Assessment activities can be evaluated according to how objective or subjective they are. For example, a multiple-choice questionnaire that is automatically assessed by a computer would be considered highly objective. By comparison, an on-the-job assessment by a supervisor is likely to include higher levels of subjectivity. In practice, assessments will be considered more reliable where they have high levels of objectivity.

Assessment activities will not necessarily be conducted by SAI staff only. They may also be performed by universities, private education providers, professional organisations, government training centres or other institutions. Some of these assessment activities may actually precede the appointment of the auditor into the SAI – in other words the SAI may decide to target staff with a specific set of proven competencies in its recruitment drive.

The assessment activities should offer aspiring professionals an opportunity to demonstrate their competence as SAI auditors. When the SAI plans learning activities, these should prepare learners to successfully complete the assessment activities. This will be achieved by defining learning objectives/outcomes which are aligned to the SAI's competency framework and developing learning activities which achieve these learning objectives/outcomes. It is therefore critical to keep the assessment process in mind in the design of a professionalisation initiative or specific learning activity.

In the chapters that follow, the guide will explore:

- The impact of the competency framework on human resource management practices in a SAI (chapter 3), and
- The development of pathways for professional development that are based on the competency framework (chapter 4).

3 IMPACT OF THE SAI COMPETENCY FRAMEWORK ON THE HUMAN RESOURCE MANAGEMENT FUNCTION WITHIN A SAI
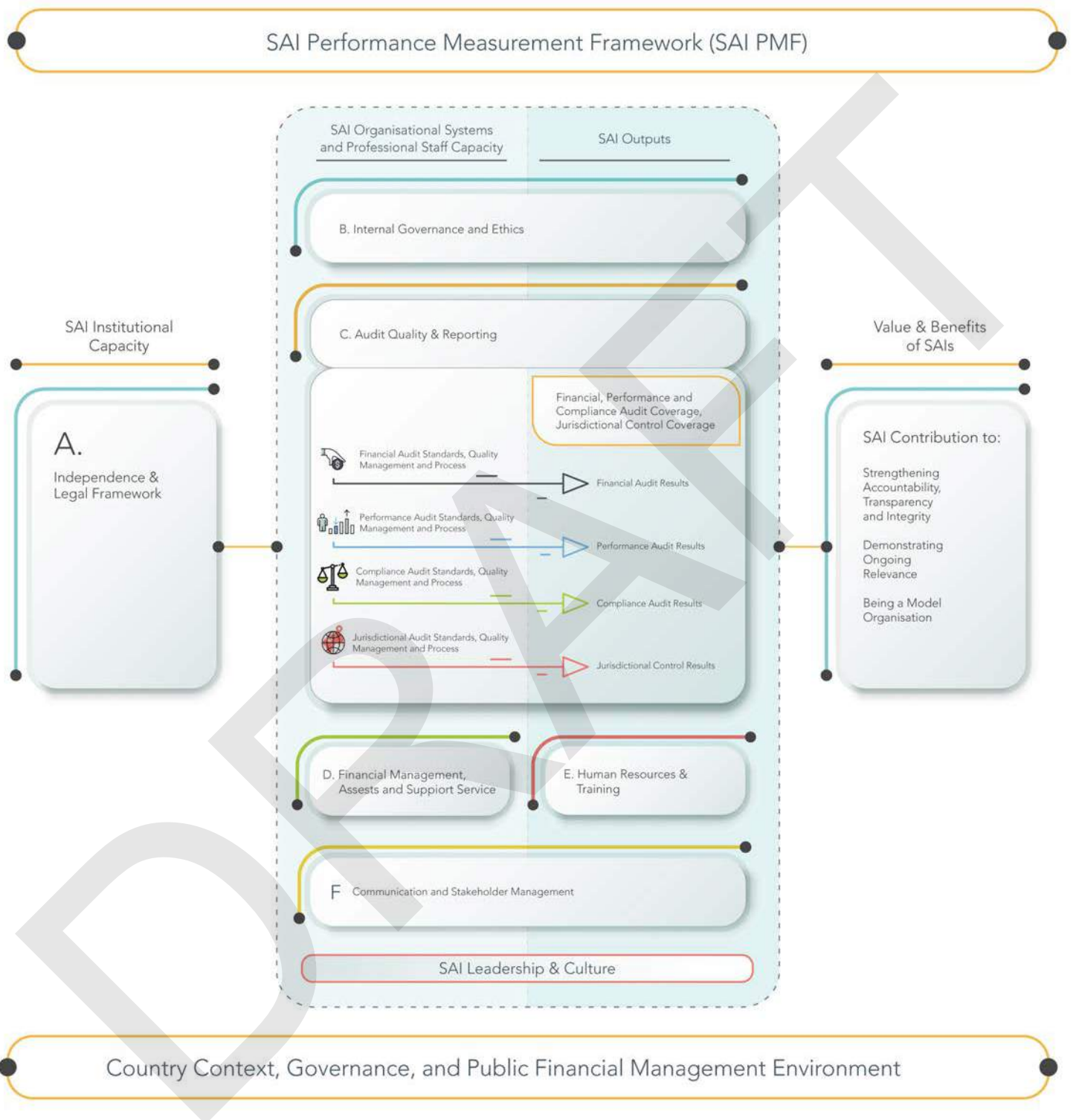
Having described the process of tailoring the INTOSAI competency framework to meet the specific needs of the SAI in question, it is important to briefly reflect on the impact this new unique and tailored SAI framework will have on certain human resource management practices in the SAI.

This chapter should ideally be read in conjunction with "Human Resource Management – a guide for Supreme Audit Institutions" – a document issued by the INTOSAI Capacity Building Committee (CBC) in 2012[9].

Appropriate human resource management and training practices are critical when formalising and structuring professionalisation practices in a SAI. For that matter, the SAI PMF describes appropriate human resource management as one of six key elements to evaluate when assessing the relevance of a SAI, or, as described in chapter 1, testing the level of professionalisation of a SAI.

---

[9]This guide can be found at www.intosaicbc.org and is flagged for revision and updating in 2019 and beyond.

HUMAN RESOURCE MANAGEMENT IN THE CONTEXT OF THE SAI PMF

SAI Performance Measurement Framework (SAI PMF)

SAI Organisational Systems and Professional Staff Capacity

SAI Outputs

B. Internal Governance and Ethics

C. Audit Quality & Reporting

SAI Institutional Capacity

Value & Benefits of SAIs

A. Independence & Legal Framework

Financial, Performance and Compliance Audit Coverage, Jurisdictional Control Coverage

Financial Audit Standards, Quality Management and Process → Financial Audit Results

Performance Audit Standards, Quality Management and Process → Performance Audit Results

Compliance Audit Standards, Quality Management and Process → Compliance Audit Results

Jurisdictional Audit Standards, Quality Management and Process → Jurisdictional Control Results

SAI Contribution to:

Strengthening Accountability, Transparency and Integrity

Demonstrating Ongoing Relevance

Being a Model Organisation

D. Financial Management, Assests and Suppiort Service

E. Human Resources & Training

F Communication and Stakeholder Management

SAI Leadership & Culture

Country Context, Governance, and Public Financial Management Environment

The following typical human resource management cycle is proposed as a basis to illustrate the impact of a fully tailored and current SAI competency framework on these processes:

TYPICAL HUMAN RESOURCE MANAGEMENT CYCLE
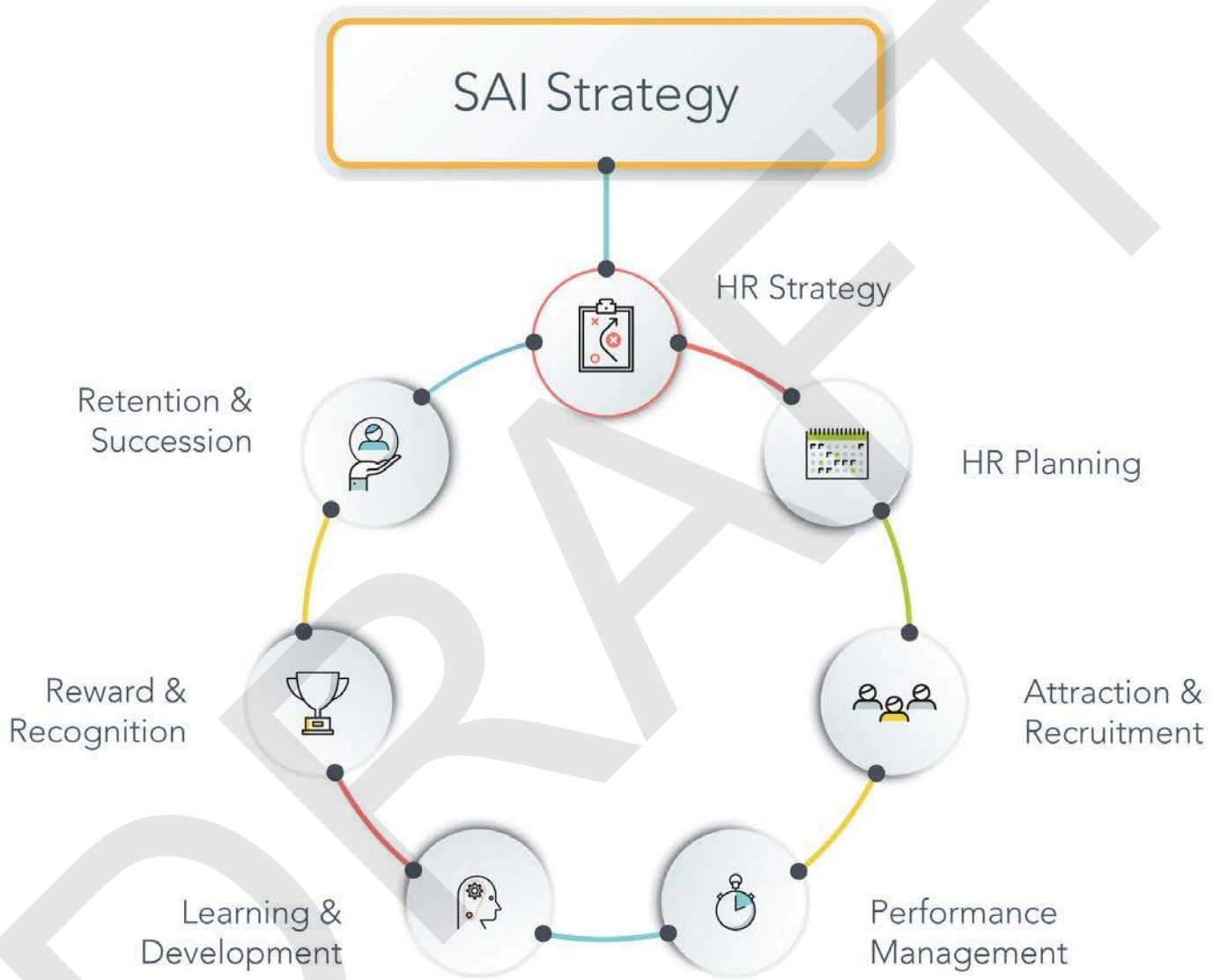
The authors accept that not all of these processes may apply to or be under the control of the SAI. However the information outlined below may be useful in concluding service agreements, negotiating needs or confirming expectations with the institutions handling these activities on behalf of the SAI.

3.1 SAI STRATEGY

Strategy sits at the heart of the functioning of any organisation. As much as a SAI may have a legislative mandate and specific enabling legislation, each SAI must also have a unique strategy that spells out issues such as interpretation of mandate, vision, values, performance objectives, outcomes expected and impact foreseen. Ideally, the strategy should also clarify the types of audits to be undertaken, certain themes that will be focused on, and the scope and extent of expected work.

In keeping with the principle of leading by example, this strategy document should ideally be available in the public domain and should underpin the transparent reporting of the SAI activities in an annual report.

In interpreting the SAI's mandate and the execution of its planned activities, the SAI strategy should clearly spell out the competency requirements of the SAI (as described in the previous chapter) and certain human resource management practices. The strategy should be the key input into the SAI Human Resources Management strategy, as described below.

3.2 HUMAN RESOURCE MANAGEMENT (HRM) STRATEGY

In the SAI, the HRM strategy supports the implementation of the SAI's overall strategy through activities such as human resource (or workforce) planning, attraction and recruitment, reward and recognition, performance management, training and development, retention and succession, as well as staff wellness. Domain E of the SAI PMF proposes that the SAI HRM strategy:

- be aligned with the SAI's strategy/performance objectives,
- covers at least the basic processes such as recruitment, retention, remuneration, performance appraisal and professional development,
- contains considerations about the number and type of staff required for the strategy planning period,
- has indicators, baselines and targets (e.g. staff turnover, vacancies, non-productive time, etc),
- is communicated to all staff,
- is monitored at least annually, and
- is reviewed and regularly updated, at a minimum once every five years.

In essence, the HRM strategy is an "action plan" to focus staff activity, increase productivity and align key human resource practices and activities with the SAI's strategic intent, as a key enabler of success.

The SAI competency framework serves an important purpose by interpreting the requirements of the SAI strategy at the level of the organisational, team and individual competencies. In this way, the SAI ensures that human resource practices, initiatives and activities are closely aligned to its strategy.

This level of clarity is important: it speaks directly to the success of any professionalisation effort for individual auditors, whether this effort is aimed at "catching up" with the requirements of the SAI strategy or is instituted as a way to prepare for a specific future state envisaged in that strategy.

3.3 HUMAN RESOURCE PLANNING

Human Resource (HR) Planning is the process of systematically reviewing human resource needs to ensure that the required number of staff members with the required competencies are available when needed. This process enables SAI leadership to take an integrated approach by identifying the gaps between current workforce (supply) and future needs (demand), as well as gaps in alignment and support of the SAI's strategies.

ELEMENTS OF HUMAN RESOURCE PLANNING

Assess The Current HR Capacity	Demand/Supply Forecasting	Determine The Gap	Close The Gap
• Assess the current HR Capacity	• Forecast HR needs for the future	• Conduct a gap analysis to identify the number of staff and the skills required tin the future in comparison to the current situation	• Design the organisation's structure
• Assess the current competencies of staff	• Determine impact of external factors on supply		• Design job profiles
• Compile a skill inventory	• Develop a future organisational structure	• Forecast required HR capacity and compare with available capacity.	• Decide on the most appropriate "B Strategies" (see below)
			• Implement HR action plans
			• Measure success and adapt tactics

The first three steps under "Close the gap" are explained in more detail below:

Design the organisation structure.

The following focus areas should be considered when designing the ideal organisational structure to give effect to the SAI strategy:

- Strategic focus (leadership – providing strategic direction),
- Tactical focus (management – converting strategy into tactical objectives and plans), and
- Operational focus (professionals – converting tactical objectives and plans into operational plans and activities).

Designing the organisational structure should also entail determining the ideal span of control (for example, the ideal ratio of professional staff to a manager). This could include assessing auditee risk, team composition, quality assurance requirements, available capacity, the need for supervision and level of experience.

DESIGN THE REQUIRED JOB PROFILES

This step (described in section 2.3) matches organisation competencies (as per the SAO competency framework) to all the specific roles in the organisation. In this phase, it is critical to ensure that expectations (in the context of the SAI strategy) are fully addressed to the point where this can enable appropriate performance management, dealing with both strategic alignment and operational excellence.

DECIDE ON THE MOST APPROPRIATE "B STRATEGIES"

The concept of "B strategies" (Ulrich, 2003) provides a relatively easy way for SAI leadership to think about the strategic choices that underpin the SAI's HRM strategy and the development of professionalisation pathways:

- Buy – recruiting staff from outside the SAI,
- Build – developing talent from inside the SAI,
- Borrow – obtaining resources through consulting, contracting in or outsourcing,
- Bind – Retaining staff with critical competencies, and / or
- Bounce – removing poor performers, eliminating unproductive roles and/or re-skilling staff.

The SAI competency framework plays an important enabling role in allowing SAI leadership to effectively plan people resources through:

- identifying competencies required to realise the strategic focus areas of the SAI
- identifying gaps concerning required competencies for future resource demands
- designing effective organisational structures
- developing detailed job profiles, which will form the basis for advertising, recruitment, performance management and development of different positions in the SAI.

3.4 ATTRACTION AND RECRUITMENT

Attraction and recruitment are aimed at identifying the right diversity of competence required at all levels, attracting and selecting people by pre-defined criteria and bringing people on board effectively and efficiently. The employment process should be fair, equitable and aligned to relevant labour legislation and organisational policies.

Attraction and recruitment practices that are based on the SAI competency framework will allow managers to recruit, place, assess and induct staff with the right knowledge, skills and personal attributes to excel in the SAI environment. By referring to observable behaviour during the recruitment process, interview panels are able to select candidates who are appropriately competent to meet the expectations of the SAI strategy. It also ensures that the recruitment process is standardised and objective.

In appointing the ideal candidate, the employment contract may refer to a period of probation – a formal arrangement at the start of employment whereby the new staff member demonstrates his/her suitability for the position within a set timescale. In determining the performance standards that will underpin this evaluation, the SAI competency framework will be a very useful and relevant reference point.

3.5 PERFORMANCE MANAGEMENT

Managers and staff use performance management to work together to plan, monitor and review staff's work objectives and overall contribution to the SAI. Performance management is more than just an annual performance review. Rather it a continuous process of setting objectives, assessing progress and providing ongoing coaching and feedback to ensure that staff are meeting the SAI's objectives and their career goals.

This process should aim to:

- support the SAI's vision, values and strategic focus areas,
- ensure that staff members know what is expected of them,
- inspire staff to meet and exceed the expectations set in their job profiles (and, by extension, the needs of the stakeholders of the SAI), while ensuring personal development and growth,
- instil and sustain a performance culture, supported by continuous improvement,
- build and enhance the relationship between management and staff, and
- develop staff through coaching and development.

SAI management and leadership should find it helpful to refer to the SAI competency framework throughout the performance management process, from planning and agreeing on performance goals to assessing performance against these. This will assist leadership and management to improve performance by clearly outlining what is expected of their staff. Job performance can be split into what specific targets or objectives an individual needs to achieve These objectives can be defined by functional competencies (the knowledge and skill dimensions of the framework) and how an individual works (the personal attributes dimension of the framework). Knowing which competencies are critical for an individual role (based on the job profiles) allows managers to tailor their performance management and development discussions accordingly.

The SAI competency framework should also contribute to efficiencies around consequences related to performance management. Specifically, it should assist in identifying what development is needed to address performance gaps or whether disciplinary action should be taken.

3.6 LEARNING AND DEVELOPMENT

Learning and development is an important part of a SAI's overall business strategy. The SAI needs to put in place a learning and development strategy that outlines how it is developing its workforce's competencies so as to deliver on its mandate in a constantly changing world. In the fluid environment in which SAIs operate, the challenge for the INTOSAI community is to continuously strive to remain relevant. This calls for the development of a range of new, multi-disciplinary competencies and a commitment to life-long learning. Against this backdrop, the case for a clear, complete and current competency framework at SAI level is even more compelling.

The learning and development process refers to a planned effort by the SAI to facilitate staff's acquisition of job-related competencies.

Staff members are expected to continuously acquire new skills and knowledge, apply them on-the-job and share these with other staff members. Managers are expected to identify training needs and ensure that staff members apply newly acquired knowledge and skills in their work.

The strategy for learning and development is likely to be based on a learning cycle, which typically comprises the following components:

Evaluation of Impact

Learning Needs Analysis

Training Plan

The Learning Cycle

Competence Assessment

Developments of Learning Material

Delivery of Learning Interventions

LEARNING NEEDS ANALYSIS

A learning needs analysis is performed by comparing the SAI's competency framework with current levels of competence of staff. Where there are gaps, these will inform the training plan.

As part of this process, all staff should, in consultation with their line manager, complete personal development plans which identify their individual learning needs. Staff should consider the competency framework, their current job responsibilities and performance, and the requirements of their anticipated next position within the SAI when completing their personal development plan.

Learning needs could arise from:

a. Anticipated hiring of new staff
b. Ongoing development of junior staff
c. New competency requirements for senior staff arising from
   i. Changes in the professional environment (e.g. updates to standards)
   ii. Changes in the SAI's mandate
   iii. Changes in the focus areas of audits
   iv. Emerging macro trends

The learning needs analysis should cover the entire organisation, including professional audit staff, professional support staff and non-professional support staff. It should extend from the Head of the SAI to the most junior employee.
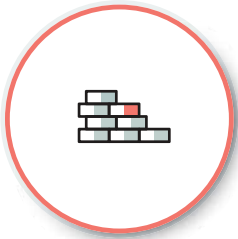
TRAINING PLAN

A training plan is developed that outlines the schedule of learning interventions for the period. This training plan should address the needs identified in the learning needs analysis. The training plan will cover various subject matters, including

- Technical auditing
- Leadership and management development
- Onboarding or induction of new staff
- Training on SAI policies, procedures and processes (including training on the SAI's internal ICT systems)
- Personal skills training (e.g. communication and writing skills, analytical skills, presentation skills, interviewing skills, ethics, supervision, IT skills).

It is necessary to maintain an appropriate balance between interventions that assist staff to comply with the requirements of a professional development programme (to gain a set of required competencies) and to comply with the related continuing professional development programmes.

DEVELOPMENT OF LEARNING MATERIALS

The training plan needs to be evaluated to determine the extent to which new learning materials need to be developed or extant learning materials updated. Development work may be conducted by internal SAI resources or external consultants, depending on the nature of the subject matter and the availability of internal resources. Where external consultants are used, the SAI should take extra care to ensure that the materials produced address the needs identified.

Development of learning materials will usually include the testing of the materials through piloting.
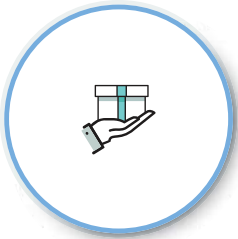
DELIVERY OF LEARNING INTERVENTIONS

Learning interventions will then be delivered in accordance with the training plan. This is likely to be through a combination of online and classroom learning. Where facilitators are required, it is important to consider who is best equipped to facilitate the training, for example: internal resources versus external resources, full-time facilitators versus senior audit staff.

COMPETENCE ASSESSMENT

After attending a learning intervention, staff should be provided with an opportunity to demonstrate the competencies developed through the intervention. This can be achieved through a post-course test, a workplace assignment or on-the-job assessment.

Also see the detailed section on assessment in chapter 2 of this guide.

EVALUATION OF IMPACT

Following completion of the learning plan, the SAI should evaluate the effectiveness of the learning interventions. This will require direct consultation with audit staff, line managers and SAI leadership. It may also extend to auditees and other stakeholders. Outcomes of this evaluation should be incorporated into updates to the learning strategy and future training plans.

The SAI should assign responsibility for training and professional development to a person(s) with sufficient and appropriate experience and authority within the SAI. In larger SAIs, this may take the form of a dedicated unit for training and professional development.

It is important to create a learning culture within the SAI. While some learning will take place through formal interventions, the majority of learning opportunities occur on-the-job. It is the responsibility of all SAI staff to

a) ensure their own professional development in accordance with the expectation of their position, and
b) coach and train other SAI staff on-the-job.

The SAI competency framework provides a solid basis to enable the development and assessment of competencies for SAI professionals. The model can be used to conduct skills assessments, identify development gaps, determine learning outcomes and design targeted development solutions. For these activities to function effectively, it is imperative that the competency framework is complete and fully tailored to the needs of the SAI, as outlined in the SAI strategy.

In the context of this document, the process of learning and development can be structured into formalised pathways for professional development, as described in chapters 4 and 5 of this document.

3.7 REWARDS AND RECOGNITION

Rewards and recognition include a major emphasis on compensation but also go beyond that, dealing with indirect benefits and non-financial award benefits. Indirect benefits may include study opportunities, medical aid, retirement benefits, etc), while non-financial award benefits would be fair and consistent policies and practices, good working environments, flexible working hours, etc). In an ideal set-up, the SAI should consider a total reward approach that brings all of these elements together in one strategy.

The SAI should strive to compensate staff in a manner that is fair, consistent and reflective of the external market, and should further provide recognition for the achievement of SAI objectives, individual or team goals and professional competence. A well-structured programme with a good balance of salary, benefits and rewards will support the SAI in remaining competitive in the public sector and ensure sustainability in the future.

Looking at the typical steps that underpin the development of a compensation strategy, as depicted below, the steps highlight the important role that a well-crafted SAI competency framework plays in this process.

DEVELOPING A COMPENSATION STRATEGY

Study Job Descriptions/ Job Profiles

Conduct a Job Analysis

Perform Job Evaluation

Design a Salary Structure

Determine Pay Increases

Determine Bonus

Determine Incentives

Communicate

Earlier in this document, the authors described the important role of the SAI competency framework in the crafting of job profiles and/or descriptions. Equally, the framework serves as an important foundation when performing job evaluations (involving the comprehensive analysis of each job profile's tasks, responsibilities and competencies to assess the relative value to the employer of the job's content and to provide an internal ranking of jobs). It can also be used as a reference point in comparing certain job types and compensation brackets.

3.8 RETENTION AND SUCCESSION

The process of staff retention and succession aims to identify, develop, refresh and retain highly competent staff to ensure job continuity and build a talent pool for succession for certain identified key positions. Staff retention and succession are critical to the long-term health and success of the SAI: if staff members are committed to the SAI, meaning they are fully engaged, with high job satisfaction, the probability is high that they will stay. This provides comfort that the SAI will be able to retain critical skills, manage staff turn-over within acceptable parameters, fill positions quickly with appropriate skills and be sure that it can meet its future staffing (and competency) needs.

The SAI competency framework defines specific competencies staff members need to develop to be ready to move to the next level within the organisation, covering the full range of knowledge, skill and abilities. Over and above just dealing with the "technical" needs of a position, managerial and leadership development calls for specific attention as staff progress through the organisational ranks. Development, with the future of the organisation in mind, is critical for key positions (positions without which the SAI's business continuity may be under threat) and leadership positions.

In reflecting on the HRM cycle dealt with in this chapter, it is clear that SAIs need to seriously think about the way human capital is planned, deployed, contracted, managed and developed. As a primary consideration, the need for a well-resourced and professional HRM unit is very clear. The SAI PMF recognises this need, when it asks of a SAI to specifically assign responsibility for the HRM function to an individual or department that has the appropriate skill set, experience and resources to do the job. It also charges the HRM units with the following responsibilities:

- developing and maintaining HR strategy and policies,
- customising and maintaining a competency framework,
- providing guidance and consultation on HR matters,
- maintaining a performance evaluation appraisal system,
- scheduling suitable professional development opportunities, and
- maintaining personnel files.

While these responsibilities outline the "basic" requirements, it should also be quite evident from the above that the existence of a strong and professional HRM unit is critical in driving the process of professionalisation of auditors in a SAI. By basing its HRM and professionalisation efforts on a well-thought-through, complete and appropriately tailored competency framework, SAIs are guaranteed that they will be able to develop competent and professional staff in line with all the appropriate requirements.

These are:

- the INTOSAI definition of the public sector audit function in the INTOSAI Framework for Professional Pronouncements (IFPP),
- the SAI's own unique mandate and enabling legislation,
- its own vision and strategy,
- the expectations of its stakeholders, and
- the ever-changing public sector (and public finance management) environment.

4 UNPACKING THE CHALLENGES RELATED TO THE CREATION OF PATHWAYS FOR AUDITOR PROFESSIONALISATION

The main focus of this document so far has been to describe a basic model that can be used to develop a unique, tailored SAI competency framework, using the INTOSAI competency framework as a basis. The previous chapters also explored the impact of such a SAI competency framework on the HRM processes within a SAI. This document now deals with the development of pathways for professional development.

> A pathway for professional development is a formalised, structured development programme chosen by a SAI and aimed at developing and maintaining competent, professional staff within the SAI.

As we have seen in the preceding chapters, the end "definition" of competence may differ from SAI to SAI, although it is held together by a core set of competencies. These competencies stem from the requirements of the INTOSAI Framework for Professional Pronouncements[10], as described in the INTOSAI competency framework.

The end goal of an initiative for professional development pathways may vary in sophistication. The end goal may be a basic assurance/confirmation that staff within a SAI are ready for ISSAI implementation, or it may be confirmation that they are fully competent in doing ISSAI-compliant audits. At the top end of the scale, the end goal may be to ensure that staff possess a credible professional qualification in public sector auditing.

---

[10]The ISSAI link, as described in the original 2016 INTOSAI competency framework.

This chapter attempts to unpack the challenges related to the creation of pathways for auditor professionalisation. The background to this is:

a. a summary of discussions over the past number of years on the topic of developing pathways for professional development, represented in the form of frequently asked questions, and
b. the outcome of independent research commissioned on this topic by the Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) on behalf of the TFIAP.

While the questions below may give the impression of definite stand-alone (mutually exclusive) options, in practice these tend to overlap and the chapter should be read in that light. Once a SAI is clear on what it wants to achieve, what resources are available, and what parameters it wishes to use in establishing the pathway for professional development, it will in all probability borrow ideas from most of these models to come up with a unique "blend" that works best in its own unique circumstances.

A. FREQUENTLY ASKED QUESTIONS ON PATHWAYS FOR PROFESSIONAL DEVELOPMENT

QUESTION 1:

In the documentation that the INTOSAI CBC has produced over the past number of years, there has always been an emphasis on strategic partnering in the professionalisation of staff in a SAI. One of the options often mentioned is to partner with a Professional Accountancy Organisation (PAO) in running a professionalisation initiative.

How would one handle such a relationship?

DESCRIPTION	It may be possible for SAIs with a strong focus on financial audit to partner with PAOs to develop audit professionals for the SAI. This could lead to the awarding of a professional qualification and/or designation, and successful candidates registering as members of the PAO.

Typically, these programmes would consist of an appropriate educational element, supplemented by a requirement to work in a professional environment for a specified period (often referred to as "article training" or learnerships) and linked to a specific professional qualification examination/assessment.

In ideal circumstances, both the educational and the practical work elements of the programme should be focused on the public sector, based on the INTOSAI/SAI competency framework. In practice, educational programmes tend to be more generic (private sector) based, leaving it to the SAI to address the public sector element during the period of practical work.

In essence, the SAI functions as an accredited PAO training office that certifies competencies gained during the period of practical work (done under the guidance of an experienced mentor/supervisor). Taking into account the competencies gained in the academic portion of the programme, this would add up to an overall professional qualification programme.

Although this option can pose challenges to the SAI in terms of staff retention, it has the benefit of providing good mobility of the professionally qualified staff into the broader public sector, and even the private sector. Some SAIs that have followed this route have strategically positioned this option as a pipeline of professionally qualified people for the whole of the public sector, rather than just for the SAI itself. |

OBJECTIVE OF PROFESSIONALISATION INITIATIVE	To provide the SAI's staff members with a professional qualification equal to that of the broader profession (mostly the accounting and auditing profession) in the country concerned, coupled with a good knowledge of the public sector and public sector auditing.
STANDARDS, FRAMEWORKS, POLICIES, PRACTICES OR RULES THAT MAY GUIDE THIS OPTION	• SAI mandate and, in general, the SAI's enabling legislation, • Specific minimum qualification/competency requirements from the SAI's enabling legislation/public sector guidelines, • INTOSAI/SAI competency frameworks, • Competency requirements set by the PAO, • Professional pronouncements issued by the International Accounting Education Standards Board (IAESB), and • Professional pronouncement issued by accounting and/or auditing professional institutes (IFAC accredited and other).
KEY PARTNERSHIPS	• IFAC[11], • Professional Accounting Organisations (PAOs), • Professional institutes, • Regional professional bodies, and • Universities/academic institutions accredited by the PAO.
KEY CONSIDERATIONS	Ensuring that this option is appropriately tailored for the public sector may present a challenge. In an ideal situation, the curriculum of the PAO (or the university that offers the educational element of the programme) should contain an appropriate focus on the public sector. In reality, the introduction to the public sector and the SAI environment may only receive attention during the period of practical work, both in terms of classroom training and on-the-job exposure. An alternative may be to require exposure to public administration during the educational element of the programme. The programme requires recruitment in line with the PAO's minimum requirements and, since this may place the SAI in competition with other auditing firms, it may be necessary to invest in a bursary programme. At an HR policy level, it may be necessary to deal with policies around funding of studies, study leave, structuring of formal supervisor-trainee relationships, experience logbook processes and requirements for reporting to the PAO.
CONTINUING PROFESSIONAL DEVELOPMENT (CPD)	PAOs will normally require that, after qualification, members must prove an annual investment in CPD activities, either in terms of hours or alternative proof of competence. These requirements are normally generic enough to allow the SAI to tailor them to include a solid element specific to the public sector environment.

---

[11]This relationship should be read in the context of many PAOs that are members or associates of IFAC.

QUESTION 2:

The scenario described in question 1 (partnering with PAOs) is possible in situations where SAIs have full control of HR processes. However, many SAIs obtain human resources from a central government human resource function (e.g. a Public Service Commission) and have to follow HR practices dictated by that body.

How does one deal with professionalisation in such scenarios?

DESCRIPTION	When relying on a central government HR function to supply staff, the SAI can draw on the competency framework to communicate its staff needs. The central function can then on behalf of the SAI, target its recruitment efforts more appropriately, accepting that the SAI may need to invest in the development of additional competencies.
	In many instances, having to rely on such a central government function has the benefit that staff move into the SAI with a baseline understanding of and/ or exposure to the public service. In many instances, these staff members would already have been exposed to an education and/or training programme, where the competencies gained would have been tested as part of a "public servant entry examination". In certain circumstances, the entry requirements into public service may include a period where the candidate works in the SAI and takes the examination after this period.
	Depending on the educational background of the candidate and the extent of exposure to public service, the SAI will have to design programmes to add to this exposure. In all likelihood, the emphasis would be focused on public sector auditing knowledge and skills, and SAI-specific requirements.
OBJECTIVE OF PROFESSIONALISATION INITIATIVE	To empower SAIs to communicate (negotiate) their resource and competency needs to a central government HR function, thus ensuring the best possible fit with the SAI's needs while empowering the public servants that enter the SAI to gain the appropriate auditing knowledge and skills to cope with the work of the SAI.

STANDARDS, FRAMEWORKS, POLICIES, PRACTICES OR RULES THAT MAY GUIDE THIS OPTION	• SAI mandate and, in general, the SAI's enabling legislation, • Specific minimum qualification/competency requirements from the SAI's enabling legislation or public sector guidelines, • INTOSAI/SAI competency frameworks, • Legislation dealing with public service in that country, • Public service competence requirements, • Public servants' entry requirements, and • Public service HR policies and practices.
KEY PARTNERSHIPS	• Key government officials that can influence HR policy and resourcing decisions, • Public service academies and schools, • Central government HR function, and • National academies / schools of public service.
KEY CONSIDERATIONS	To prepare candidates for the challenges of functioning in an audit environment, SAIs need to take responsibility for adding competencies to what is provided by the central government HR function. SAIS can use their own resources for this, or link up with programmes offered by INTOSAI Regional Organisations or the INTOSAI Development Initiative (IDI). As far as HR policies and practices are concerned, the SAI may be dependent on the central government HR function. A good understanding of the competency requirements for SAI staff and the HR implications of these staff functioning in an audit environment, is essential for the SAI to be able to agree/negotiate/communicate needs to the central government HR function. This scenario may present the option of easily seconding audit staff to other areas of public service, which can be beneficial in gaining an understanding of the uniqueness of the public sector. In certain environments, this professionalisation option does carry the risk that staff may, over time, be rotated away from the SAI into other government organisations. SAIs will need to factor this potential risk into their resourcing strategy.
CONTINUING PROFESSIONAL DEVELOPMENT (CPD)	The central government HR function may have certain generic arrangements for public servants' skills to remain current, but the SAI will have to take responsibility for creating SAI-specific requirements, in line with the roles and functions fulfilled in the SAI.

QUESTION 3:

From the scenario described in question 1 (partnering with PAOs) it is clear that there are many benefits to partnering with a PAO, such as external oversight over the professional development process, independent assessment, centralised curriculum-setting, etc. At the same time, there are also many drawbacks, including possible misalignments in development focus, costs, additional administration, etc. In some countries, there may not even be a credible PAO with which to partner.

Would it be possible to partner directly with a university to handle the educational element of a professional development programme and to handle the other requirements in-house?

| **DESCRIPTION** | It is indeed possible for SAIs to partner directly with a university. Obviously, the SAI should be responsible for matching competency requirements that can be addressed through an education programme, with specific courses at university level. Because the SAI represents just one of many employers with expectations from a university, it will be necessary for the SAI to influence the curriculum of the university programme. However, the SAI will still need to take on more of the competency development responsibilities than those described in question 1. This can also be addressed by partnering with INTOSAI regional organisations or the IDI, as described in question 8. One of the advantages of being responsible for such a large portion of the development programme is that it may actually be easier to tailor the programme to the public sector and the SAI's requirements than in the scenario described in question 1.

A potential drawback may be that the SAI will not enjoy the benefits of have an independent partner to oversee/assess the success of the development programme. That said, it should be possible and relatively easy to overcome this by setting up appropriate internal governance processes.

This option can also be applicable to all fields of auditing (not just financial auditing as described in question 1).

Typically, these programmes will consist of a package made up of the following:

- A preferred qualification (sometimes also with preferred subject choices) set up as a minimum entry requirement into the SAI,
- A structured development programme linked to a set period of time to address the competencies not covered by the body that offered the entry qualification, and
- An internal assessment of competencies. |

OBJECTIVE OF PROFESSIONALISATION INITIATIVE	To provide SAI staff members with a set of competencies to be able to deal with the work requirements of the SAI. These competencies would be based on a combination of an appropriate educational programme/ qualification and an internal development programme.
STANDARDS, FRAMEWORKS, POLICIES, PRACTICES OR RULES THAT MAY GUIDE THIS OPTION	• SAI mandate and, in general, the SAI's enabling legislation, • INTOSAI/SAI competency frameworks, • Specific qualifications that match the competencies of the SAI
KEY PARTNERSHIPS	• Universities / academic institutions offering courses or qualifications that match all or some of the SAI's competency needs. • INTOSAI regional organisations / IDI / other training providers that can offer programmes on behalf of the SAI to address certain competency requirements not addressed by the university programme.
KEY CONSIDERATIONS	A careful matching of the SAI's competency needs with the educational programmes concerned will have to be undertaken when the professional development pathway is being set up, and will have to be revisited regularly to ensure continued fit and relevance. This matching process should apply to (a) programmes/qualifications offered by a university, (b) programmes offered by INTOSAI regional organisations / IDI / other training providers and (c) in-house programmes. The extent of work required to develop, implement and administer the programme will in all probability require the SAI to set up a dedicated learning unit to handle the programme, resourced with appropriately qualified education and training specialists. The SAI's HR division will also have to attend to policy matters dealing with funding of studies, study leave, minimum qualification requirements, etc.
CONTINUING PROFESSIONAL DEVELOPMENT (CPD)	It will be up to the SAI to specify CPD requirements, although it could benefit from benchmarking with other SAIs, private auditing firms, etc.

QUESTION 4:

In many SAIs, especially those that concentrate on performance auditing, we may see the SAI recruiting staff from backgrounds that match the area of work where the staff will be deployed (e.g. recruiting engineers to handle performance audit work relating to infrastructure investment).

How does a SAI structure a pathway for professional development of such staff?

DESCRIPTION	SAIs that focus on performance auditing will typically employ professionals from a wide variety of backgrounds (e.g. engineering, medicine, education, etc.). These individuals will have expert knowledge of the subject matter and criteria used on performance audits relevant to their field. The competency framework can be used as a basis for developing public sector auditing competencies to supplement their existing professional competencies. This principle may also hold true for auditors in other areas of auditing. In contrast with the option described in question 1, the end result may not necessarily be an externally acknowledged professional qualification. Rather, it may be in the form of an internally recognised set of competencies. These would reflect the unique professional combination of being a subject matter expert in a field outside the traditional role of a public servant or an auditor, combined with very specific auditing skills.
OBJECTIVE OF PROFESSIONALISATION INITIATIVE	To ensure that SAIs requiring staff with subject matter expertise typically required in the field of performance auditing, can provide these subject matter experts with an appropriate level of auditing competencies to allow them to function fully in the SAI environment.
STANDARDS, FRAMEWORKS, POLICIES, PRACTICES OR RULES THAT MAY GUIDE THIS OPTION	• SAI mandate and, in general, the SAI's enabling legislation, • Specific minimum qualification / competency requirements from the SAI's enabling legislation / public sector guidelines, • INTOSAI/SAI competency frameworks, and • Competency requirements/standards related to the subject matter expertise that the staff member brings to the SAI to deal with a specific specialist sector in government (e.g. education, health, infrastructure, etc).

KEY PARTNERSHIPS	• Professional institutes that govern the fields of expert knowledge / professional qualification or designation / licence to practice that the SAI requires, • Regional professional bodies that govern the fields of expert knowledge / professional qualification or designation / licence to practice that the SAI requires, and • Universities that specialise in the required fields of expertise.
KEY CONSIDERATIONS	The combination of a primary field of expertise (e.g. engineering) with additional highly specialised auditing skills can be a challenging mix. The SAI may be required to benchmark its practices with other SAIs/organisations in similar situations. Areas for benchmarking may include means of development, remuneration and retention. The career development of the typical professional employed in this role may focus mainly on the person's primary qualification (the qualification he/she had on entering the SAI, before the addition of auditing competencies). Thus, staff turnover at these levels may be very different from turnover in the remainder of the SAI. This may necessitate specific attention to retention, succession planning and alternative resourcing.
CONTINUING PROFESSIONAL DEVELOPMENT (CPD)	Along much the same lines as what was described in question 2, it may be up to the SAI to specify the requirements for keeping competencies current in this type of position. The proposed way to deal with this could be to consider the requirements set by professional bodies that govern the primary professional qualification of the auditor (in other words, the entry qualification before the addition of the specific audit competencies).

QUESTION 5:

How will the route to professional qualification for SAIs with jurisdictional responsibilities[12] have to be structured?

DESCRIPTION	SAIs with jurisdictional powers will typically have employees with a legal background. At a more junior level in the SAI (or Court of Audit), one may find an emphasis on auditing skills, although it is quite likely that, even at these levels, certain legal competencies may be required. Examples are an understanding of the litigation process, evidentiary skills, legal drafting, etc. At more senior levels, this balance may be the other way round, with the emphasis on legal skills to the level of a magistrate or a judge. Recruitment-wise there appear to be at least two generally accepted options. One is to recruit somebody with a legal background, requiring the Court to add certain public sector, SAI and auditing competencies. The other option is having to rely on a central government HR function to provide resources. Although the latter should imply some background in the law and in the public sector, it would still require the addition of competencies specific to the SAI and to auditing. The competency framework can be used as a reference for the areas in which legal professionals may require upskilling so that they can conduct quality audits based on the ISSAIs. It provides the mechanism to develop a law professional having only legal competencies to having both legal AND public sector auditing competencies. In many of the observed cases, the professional development pathway for employees in SAIs with Jurisdictional Responsibilities appears to follow a route similar to that described in question 2. The difference is that there is a much bigger emphasis on their standing in the legal profession, especially at more senior levels.
OBJECTIVE OF PROFESSIONALISATION INITIATIVE	To ensure that SAIs with jurisdictional powers have competent staff who can deal with the unique requirements related to their mandates, including elements from both the legal profession and the auditing environment.

---

[12]Specific work on competencies for SAIs with jurisdictional responsibilities has been completed as part of project 3 of the TFIAP work - programme and has culminated in an updated INTOSAI competency framework.

STANDARDS, FRAMEWORKS, POLICIES, PRACTICES OR RULES THAT MAY GUIDE THIS OPTION	• SAI mandate and, in general, the SAI's enabling legislation, • Specific minimum qualification / competency requirements from the SAIs enabling legislation / public sector guidelines, • INTOSAI/SAI competency frameworks, • Competence (and other professional) requirements from the relevant legal profession/fraternity, • Public service competence requirements, • Public servants' entry requirements, and • Public service HR policies and practices.
KEY PARTNERSHIPS	• Legal profession in the country that the SAI operates in, • Legal fraternity, locally and internationally, • Forum for SAIs with Jurisdictional responsibilities (as defined in the related Paris Declaration), • Central government human resource function, and • National academies / schools of public service
KEY CONSIDERATIONS	In a SAI with Jurisdictional Responsibilities, individual staff members are likely to be part of the law profession of the country. The SAI/Court may have to establish a good working relationship with governance structures in this area. The Forum of SAIs with Jurisdictional Responsibilities has made a huge commitment to the professional recognition and further professionalisation of this unique community. It is critical that this work continues to benefit all SAIs with similar jurisdictional powers.
CONTINUING PROFESSIONAL DEVELOPMENT (CPD)	The SAI will have to determine the requirements in this regard, with due consideration of the requirements of the relevant legal profession and, where relevant, the public service.

QUESTION 6:

Given the responses in the previous questions, it should be possible for SAIs to handle their professional development needs on a fully in-house basis.

What would such an in-house programme look like and how would it be structured?

DESCRIPTION	In certain instances, SAIs may have the resources, staff numbers and/or government support to create a fully internal professional development capacity, through a SAI university, academy or internal learning function. This option may include the awarding of specific qualifications, such as certificates, diplomas and degrees. These may be aimed at creating a minimum entry qualification for certain levels in a SAI or to capacitate specific job levels within a SAI. The curricula for these programmes will be fully tailored to the needs of the SAI and typically based on the INTOSAI/SAI competency framework requirements.
OBJECTIVE OF PROFESSIONALISATION INITIATIVE	To provide SAI staff members with full in-house development programmes that speak directly to the needs of the SAI, in the format of specific competency certificates per job level or even specific qualifications that fit the needs of the SAI.
STANDARDS, FRAMEWORKS, POLICIES, PRACTICES OR RULES THAT MAY GUIDE THIS OPTION	• SAI mandate and, in general, the SAI's enabling legislation, • Specific minimum qualification / competency requirements from the SAI's enabling legislation / public sector guidelines, • INTOSAI/SAI competency frameworks, and • Legislation dealing with the set-up of tertiary education programmes / universities in the country concerned.
KEY PARTNERSHIPS	• Bodies that regulate tertiary education in the country concerned, • National bodies that regulate qualifications in the country.

KEY CONSIDERATIONS	The resource investment in a full in-house set-up may be huge and will have to be weighed up against options where in-house provision is complemented by partnering with other service providers. The points of comparison should include efficiency, cost and ability to attract the best possible teachers. Mobility to the broader profession may be limited owing to the unique tailoring of the programme.
CONTINUING PROFESSIONAL DEVELOPMENT (CPD)	The SAI will have to determine these requirements with reference to best practice in the industry/education system/country.

QUESTION 7:

Many SAIs would, to some extent, make use of contract relationships with private firms to provide/supplement SAI human resource capacity.

How would a SAI ensure that these private sector auditors are adequately equipped to handle the challenges of a public sector audit?

DESCRIPTION	Many SAIs contract some or all of their audit work to private auditing firms. While the auditors at these firms are typically professionals in their own right, they may not have the full set of competencies needed to execute a public sector audit. The competency framework can be used to identify those competencies that are lacking. Ideally, specific learning interventions should be offered, either by the SAI, the firm or third-party training institutions, to bring competencies into line with public sector requirements. It is up to the SAI and/or government to decide to what extent these additional public sector-specific requirements should become a compulsory consideration in the decision to appoint/allow a private audit firm to operate in a certain environment.
OBJECTIVE OF PROFESSIONALISATION INITIATIVE	To ensure that, where private firms do work on behalf of a SAI, these firms have the necessary competencies / are empowered to audit in a public sector environment.
STANDARDS, FRAMEWORKS, POLICIES, PRACTICES OR RULES THAT MAY GUIDE THIS OPTION	• SAI mandate and, in general, the SAI's enabling legislation, • Specific minimum qualification/competency requirements from the SAI's enabling legislation / public sector guidelines, • SAI guidelines for contracting with private auditing firms, • SAI guidelines on quality assurance related to audit assignments, including work done by private audit firms, • INTOSAI/SAI competency frameworks, • Qualification and competency arrangements of professional institutes / audit regulators that oversee the competency and functioning of private audit firms), and • Qualification and competency arrangements of individual private audit firms.
KEY PARTNERSHIPS	• Private auditing firms that operate in the public sector space, • Professional institutes and/or audit regulators that oversee the competency and functioning of private auditing firms.

KEY CONSIDERATIONS	Different contracting arrangements need to be clarified (such as contracting in versus contracting out, doing work on behalf of the SAI or in one's own name). Consideration should be given to providing "profession-level" guidance to private audit firms (ideally with the necessary "stature") to enable them to understand and cope with the requirements of working in the public sector environment. SAIs may consider a requirement that only auditors with certified public sector audit competencies may work on public sector auditors (a "license to audit in public sector" consideration).
CONTINUING PROFESSIONAL DEVELOPMENT (CPD)	This should be in line with the SAI's normal requirements for CPD, but cognisance should be taken of the requirements that apply in the private sector portion of the profession.

QUESTION 8:

Would it be possible for a SAI to partner with an organisation such as the INTOSAI Development Initiative (IDI) or an INTOSAI Regional Organisation to deliver a professional development programme?

Partnering with the likes of IDI or an INTOSAI Regional Organisation may be useful, especially once some of the current initiatives of these organisations come to fruition.

IDI

During the 2016 INCOSAI in Abu Dhabi, the INTOSAI competency framework was presented to the congress. One of the key decisions taken was to task the IDI to develop and pilot a "certification programme" based on this framework in the community.

Development of this programme is currently underway. The project has been renamed "Professional education for SAI auditors" (PESA) as this is a more suitable title in the view of the project team.

Background information on this project can be found on the web-site of the IDI (www.idi.no).

The new name talks directly to the considerable value that this programme can bring to any professionalisation effort at SAI level. From the information in the preceding questions, it is abundantly clear that the majority of SAIs will carry the responsibility for adding certain public sector audit, SAI and country-specific competencies to a baseline (either consisting of existing competencies or of competencies related to a specific profile for which the SAI recruits). The benefit of the IDI programme for SAIs undertaking professionalisation efforts is that it will provide a globally developed curriculum, backed by all the necessary learning/resource materials and assessment tools, to address all public sector audit-specific competencies (as per the INTOSAI competency framework). The individual SAI will not have to invest in the development of learning/resource materials for this set of competencies, leaving time and resources available to concentrate on those competencies that may not be universally applicable and are unique to the SAI and/or the country in which it operates.

INTOSAI REGIONAL ORGANISATIONS:

AFROSAI-E:

For INTOSAI Regional Organisations, professionalisation also features high on their work agendas and those of their member SAIs. An example of what a regional initiative can bring to the table, can be found in the African Professionalisation Initiative, a project initiated by AFROSAI-E.

Background information on this project is available on the AFROSAI-E web-site (www.afrosai-e.org.za).

Although this initiative is aimed at the broader public sector accounting and auditing profession on the African continent, it is expected to yield similar benefits to the SAIs on other continents.

QUESTION 9:

What options would be available to SAIs that may not be in a position to structure/ institute a comprehensive professional development programme such as described in questions 1 to 6 above?

SAIs not in a position to structure or institute a comprehensive professional development programme will have to consider alternative means, borrowing principles from the preceding questions.

Options may include:

- Recruiting very specific professionally qualified staff (in other words being extremely pedantic about competencies required),
- Structuring the addition of public sector audit, SAI, and/or country-specific competencies almost exclusively through formalised on-the-job development (which may require the use of role clarification, logbooks, etc to ensure proper structuring),
- Considering secondments from SAIs with similar mandates, either to resource audits or to act as supervisors/ mentors in an on-the-job effort to address certain SAI-specific competencies,
- Importing the most relevant portions of the programmes offered by IDI and/or INTOSAI Regional Organisations into a short SAI-specific training course, in addition to structured on-the-job development, and
- Approaching donors (through the INTOSAI donor cooperation mechanism) for funding of a SAI pathway for professional development, ideally as part of a bigger investment in the strengthening of public finance management in its country.

QUESTION 10:

Some commentators have mentioned the option of recognition for prior learning (or even the concept of 'grand-fathering') as an option in the process of professional development. Would this be acceptable and how can it be structured?

Recognition for prior learning (RPL) and/or grandfathering is a structured process of acknowledging competencies gained through years of working experience and, in essence, implies an appropriate form of assessment for candidates.

In the work that led to this guide, it would appear that there are two possible views on recognition for prior learning:

- A very structured process of assessment of prior experience conducted by a specific professional institute, using its rules and requirements (which will have to be assessed for applicability to the SAI), or
- A slightly less complicated process, as a mechanism for recognising prior learning as an entry point into a professional development initiative.

In the second instance (RPL as an entry point), a SAI can consider waiving normal entry requirements (such as a specific qualification) in favour of a combination of the following:

- Working successfully at a specific level within the organisation,
- Experience in a certain area for a specified number of years,
- A well-proven value-adding or performance track record over a number of years, and
- Being a staff member in good standing.

As much as these requirements will allow entry into the programme, they should ideally not play a role in the final assessment of competence at the end of the learning process. Note that this option assumes the SAI will have strong enough quality assurance and performance practices to manage any potential shortcomings in this process.

This is an attractive option for giving momentum to professionalisation when a large number of existing staff are affected by newly introduced competency requirements, but may be a difficult and often controversially perceived approach. It is best handled as an option that is transparently negotiated with staff as part of a bigger strategic transformation programme.

B. RESEARCH ON PATHWAYS FOR PROFESSIONAL DEVELOPMENT

When the TFIAP received its mandate, part of this was to conduct research to inform the envisaged roadmap towards the development/adoption of INTOSAI professional pronouncements (standards and guidance) on auditor competence. During 2018, a research project[13] of this nature was commissioned, with specific emphasis on the following points:

- Identifying global professionalisation pathways that speak to the needs of public sector auditing, initially covering options available in both the private and public sectors, but then evaluating these against the unique public sector audit function,
- Understanding what underpins these pathways (competency frameworks, methodology, standards, rulebooks, processes, etc),
- Linking the above understanding to the current work done at the level of the TFIAP (as represented in this guide and specifically in the preceding section of this chapter),
- Identifying commonalities in these pathways and the thinking that underpins these, so as to identify a globally applicable process guide towards pathway development (as contained in chapter 5),

Over and above these four steps, the researchers were also requested to endeavour to express a view, at the end of the research project, as to:

- The scope of what needs to be addressed at the level of possible standards and guidance (professional pronouncements) for INTOSAI (global public sector) auditor competence, and
- Propose a roadmap on how to move from the current state of affairs to the establishment of professional pronouncements for INTOSAI auditor competencies, clearly indicating the need for development by INTOSAI versus the option of adopting existing standards and/or practices.

The full outcomes of the independent research project are available on the web-site of the INTOSAI CBC (www.intosaicbc.org).

---

[13]This research was commissioned and funded by the GIZ, on behalf of the INTOSAI CBC and the TFIAP. It is referred to in the remainder of the document as "the independent research project".

In engaging with the research outcomes, the TFIAP considered these 10 points:

1. Confirmed the completeness of options for pathways for professional development identified earlier in chapter 4. It was very clear from the research that the options presented have many variations (which confirms the statement at the start of the chapter that the options listed should not be seen as mutually exclusive), but that the essence of these were captured in the section of the chapter on frequently asked questions.

2. Confirmed the availability of a substantial number of credible global and local partnering options to enable the development and implementation of pathways for professional development.

3. Highlighted the need for specific quality considerations and processes that should underpin the appointment of and partnering with global and local PAOs, universities and/or training providers.

4. Confirmed the need for extensive SAI-specific case studies to supplement the guide, which will be made available on the INTOSAI CBC website.

5. Concluded that there is a real and urgent need for INTOSAI professional pronouncements on auditor competence and agreed with the research finding that, in the current INTOSAI environment, the focus should be on a higher level of flexibility compared to traditional approaches.

6. Took note of the fact that the majority of pathways for professional development were based on professional pronouncements of some sort, covering certain principle/process considerations (such as the pronouncements by the International Accounting Education Standards Board) and more specific competency requirements (such as the frameworks used by the ACCA, AICPA, IAA, etc).

7. Agreed with the view that INTOSAI has already created a solid foundation for work towards professional pronouncements on auditor competencies through the INTOSAI competency framework, the SAI PMF, the IFPP and a number of INTOSAI CBC position papers on the topic of further professionalisation.

8. Confirmed that the principle of "global profession, local solution" should determine the level and extent of standards and guidance provided at INTOSAI versus what is being done at the level of INTOSAI Regional Organisations and/or SAIs. The development of the INTOSAI competency framework, which focused only on formalising the unique universally applicable competency requirements for public sector auditing, was cited as an ideal "global-level" development.

9. Agreed with the research findings that INTOSAI should take note of existing, successfully implemented professional pronouncements that are available in the market (as flagged by the research). At the same time, also noted that INTOSAI it should not hesitate to boldly define its own principles and needs in working towards the development of INTOSAI professional pronouncements on auditor competence.

10. Agreed with the researchers that given limited resources typically available for the development of pathways for professional development at INTOSAI, assistance should be sought with the development of globally available support material and technology-based tools. Providers could be approached at Regional Organisation and/or SAI level, IDI and/or others. The current development around the IDI's Professional Education for SAI Auditors (PESA) programme was cited as an example in this regard.

The TFIAP also noted the research finding that the majority of feedback was based on the pronouncements and practices of well-developed global standard-setters in the area of financial auditing, and that very little was available in the areas of compliance and performance auditing beyond the INTOSAI competency framework and SAI best practices. The task force expects that in respect of compliance and performance auditing, there will be global similarities in education and training practices at a principle level, but acknowledges the need for more work to be done in these areas.

It is clear that there are many examples of significantly different pathways for professional development in INTOSAI. For this reason, the SAI's development efforts should be rigorous and thorough, encompassing:

- the process of understanding the SAIs mandate,
- developing a SAI strategic plan,
- confirming SAI-specific competency requirements,
- assessing available options for recruitment and development of staff, and
- constructive partnering with global and/or local PAOs and/or training providers
  (in addition to internal resourcing).

In this way, the SAI should arrive at a solution to its professionalisation needs that serve its own uniqueness and speak to the essence of public sector auditing, as defined in the IFPP and reduced to core competencies in the INTOSAI competency framework.

The independent research project further highlighted the following facts:
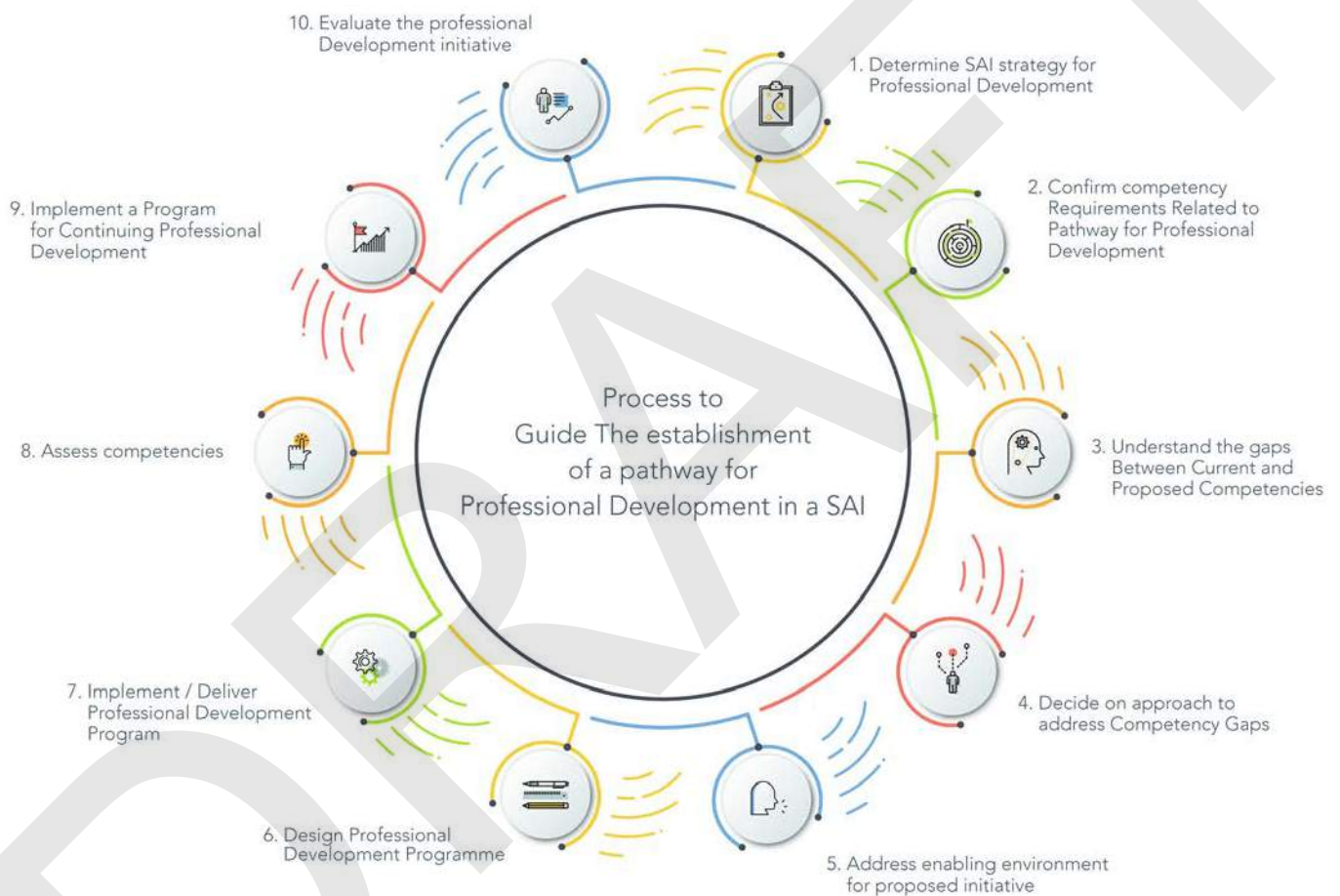
- The various maturity levels of member SAIs may require a stepped approach to professionalisation pathways,
- Professionalisation pathways can be stepped according to the recruitment entry points and/or linked to roles within the SAI, and
- Professionalisation pathways can be flexed (tailored) to meet national statutory and regulatory requirements.

This begs the question – can the above be condensed to a number of universally true generic principles that should guide a SAI in establishing the most appropriate pathway for professional development for its needs? This question is addressed in the next chapter.

The 10-step process flow outlined below is an attempt, based on the options described in chapter 4, to document the basic, universally true considerations that should underpin the development, in a logical order, of a pathway for professional development initiative.

1. Determine SAI strategy for Professional Development
2. Confirm competency Requirements Related to Pathway for Professional Development
3. Understand the gaps Between Current and Proposed Competencies
4. Decide on approach to address Competency Gaps
5. Address enabling environment for proposed initiative
6. Design Professional Development Programme
7. Implement / Deliver Professional Development Program
8. Assess competencies
9. Implement a Program for Continuing Professional Development
10. Evaluate the professional Development initiative

Process to Guide The establishment of a pathway for Professional Development in a SAI

The applicability, scope and order of the 10 steps may differ from SAI to SAI, and from development programme to development programme.

1. DETERMINE A SAI STRATEGY FOR PROFESSIONAL DEVELOPMENT

In this initial step, the SAI leadership needs to outline the exact purpose of the envisaged professional development initiative and precisely describe the desired end-state. In the ideal scenario, the SAI's vision and strategic plan should serve as the foundation for creating this level of clarity. The vision and plan should explain whether the initiative is aimed at creating a sustainable baseline of competence within a SAI to execute its mandate, or whether it is intended at creating "stretch" for the future. This could involve the introduction of new competencies required by a new mandate, the introduction of new methodologies, venturing into new areas of auditing or an attempt to stay relevant given the SAI's changing environment. Specific metrics for measuring success should also be defined.

The initial SAI strategy for professional development is also the document that can be used to ensure full buy-in from leadership (or key stakeholders, such as Parliament, if relevant). It can also serve as an initial communication tool with staff about the envisaged development opportunity.

A core channel of input into the SAI's strategy for professional development is its overall organisational strategy. Other avenues that can be used are the outcomes of a SAI PMF review, a basic needs assessment or the principles of a newly launched INTOSAI level initiative (such as auditing of the Sustainable Development Goals).

At the initial stage, it may already be necessary to describe the leadership's thinking about organisational impact – costs, partnering, impact on policies and procedures, etc.

2. CONFIRM THE SAI COMPETENCY REQUIREMENTS RELATED TO THE PROPOSED PROFESSIONAL DEVELOPMENT INITIATIVES

As described in chapter 2 of this document, confirm the exact "to be acquired" competency requirements of the SAI.

This should include three key points of reference:

A. using the INTOSAI competency framework as a basis to understand the core requirements of public sector auditing as defined in the IFPP ("global profession"),
B. confirming the required underlying subject matter expertise,
C. adding SAI-specific requirements, as well as managerial and leadership requirements, to create a unique, complete and tailored SAI competency framework ("local solution").

The SAI competency framework is then used to determine competencies required per staff target group. Tools such as job profiles may be useful in this process.

As described in chapter 2, the SAI competency framework needs to be developed with assessment in mind, assessment being one of the last steps in the professionalisation process.

3. UNDERSTAND THE GAP BETWEEN CURRENT AND PROPOSED COMPETENCIES (GAP ANALYSIS)

Gain an understanding of the current state of competencies in the target group within the SAI, with a view to determining the gap between the existing and new competency requirements. In this way, it will be possible to confirm the exact competencies that are being targeted for recruitment and for the professional development plan.

Given the extent of recruitment and/or development that may be required, it may be necessary to create an initial split of competencies into a number of specific development/learning programmes.

4. DECIDE ON APPROACH TO ADDRESS COMPETENCY GAPS

SAI leadership should make a decision on the most appropriate way to address the skills gap. There are many options available to choose from, such as recruiting for the necessary knowledge, skills and abilities or investing in the development of these competencies, perhaps through an appropriate combination of education and practical training. Other options are recognition for prior learning and accelerated training.

If relevant to the SAI, there may also be the possibility of having to engage with a Public Service Commission to source or develop appropriate competencies using the work done in steps 1 to 3.

The above decisions may be influenced by a whole host of factors, the most critical being:

A. a cost-benefit analysis to test affordability, and
B. the availability of partners to implement the professionalisation initiative.

---

5. ADDRESS ENABLING ENVIRONMENT FOR THE PROPOSED PROFESSIONAL DEVELOPMENT INITIATIVE

The environment needs to be prepared for the implications of the professional development initiative. This may cover leadership and management buy-in, preparing supervisors with new skills, changing policies and procedures, confirming new partnerships for development and engaging differently on funding required for this initiative.

The enabling environment needs to be addressed at two levels:

A. Enablers that allow the professionalisation initiative to run (policies and practices, HR and otherwise), and

B. Enablers that allow the SAI to cope with the outcomes of the new professionalisation initiative (for example, procedures that cater for the utilisation of the newly acquired knowledge and skills).

6. DESIGN PROFESSIONAL DEVELOPMENT PROGRAMME

The first consideration is to identify the baseline feeding into the programme. This refers either to the current competence level of the existing staff OR the level of competence of staff who will be recruited. Either way, the information will now feed into the pathway for professional development. In many instances, this may be done with reference to the competencies acquired during academic programmes (university, college, national public service school, etc). This will allow the developers of the programme to clearly identify the set of competencies that will need to be addressed during the specific development programme.

As an example: if the SAI recruits a financial auditor with a three-year graduate level accounting qualification, the qualification already gives the SAI an indication that the candidate has already developed a number of key competencies required for the audit task at hand. The SAI can then measure these competencies, which have already been assessed as part of the qualification, against its complete competency framework. In this way, the SAI will be able to concentrate its efforts on the remaining (public sector or SAI specific) competencies that will enable the aspiring audit professional to gain the full set of competencies required for the job. The same process applies to any other group of recruited staff or the staff allocation made by a central government HR function. Beyond this, in broad terms, the team tasked with the development of the programme needs to decide on programme objectives, content, training techniques, pre-testing tools, teacher/facilitators guidance, resources, training transfer considerations, exercises, case studies, simulations, etc.

The choice of delivery method is also critical so that there is an emphasis on practical experience. These methods can include classroom training and development, on-the job/experiential learning (anything from simulations and field trips to stretch assignments and even "serving articles" for a period of time), relationship and feedback learning (coaching, mentoring, appraisals) and off-the-job training (university courses, self-study, e-learning).

Support for the staff member who participates in the development programme should also be planned. First of all, there should be the necessary buy-in from the supervisor, confirming the belief that the end result of the training will be useful in the workplace. The supervisor should also commit to supporting the staff member during training and making sure that he or she receives the necessary opportunity to utilise the newly acquired skills. Support goes beyond this and may also include the appointment/selection of mentors and coaches, creating peer-to-peer support between individuals participating in the development initiative and selecting a development coordinator ("training officer") to oversee the administration that may potentially be linked to the programme, including training records.

Lastly, it is necessary to confirm the methods of assessment at this point, considering examinations, simulations, assignments, observation by others, and sign-off by a supervisor (see detail in chapter 2).

This may be an area where the SAI decides to partner with external parties such as INTOSAI Regional Organisations, universities, training providers and professional institutes to design (and perhaps even implement).

7. IMPLEMENT / DELIVER PROFESSIONAL DEVELOPMENT PROGRAMME

This step deals with the practicalities and logistics of running the programme – deciding on venues, confirming availability of equipment and material, confirming availability of facilitators, enrolment, travel and accommodation arrangements, etc.

Another important consideration in this step is the visible support of SAI leadership. Throughout the programme, from enrolment to attendance and utilisation of the newly acquired skills, leadership should be seen supporting the development initiative, confirming the value-add of the skills being developed in addressing both current work needs and, in the longer run, achievement of the SAI's strategy.

8. ASSESS COMPETENCIES THAT WERE DEVELOPED AS PART OF THE PROFESSIONAL DEVELOPMENT PROGRAMME

At this point, there is a need to evaluate the success of the programme at the level of each participating individual. The assessment – as confirmed in the design phase – needs to take place in the most independent way possible, dealing with the acquisition of both knowledge and skills at the end of the programme. This will ensure the first level of testing success of the initiative.

The second level of evaluation will take place some time down the line from the actual initiative playing out and will focus on whether the new skill is actually being utilised (training transfer into the workplace).

This may also be the point where certain corrective action may be required – either in assisting the staff member who experienced challenges in the two assessment cycles or in adjusting the development initiative to yield better results.

9. IMPLEMENT AN INITIATIVE TO ENSURE THAT THE ASSESSED COMPETENCIES ARE KEPT CURRENT / MAINTAINED (CONTINUING PROFESSIONAL DEVELOPMENT (CPD))

Considerations during this step covers two levels:

• keeping the programme current – updating the programme so that it reflects the most current view of the specific topics at hand, and

• keeping skills current - this relates to staff who previously attended the programme and is often referred to as a programme of "continuing professional development". Examples of activities are attending basic updates (to "top up" competencies with new developments such as new legislation) and retraining (the introduction of a completely reworked and updated audit methodology).

10. EVALUATE THE PROFESSIONAL DEVELOPMENT INITIATIVE

After the first implementation run of the pathway for professional development (and with regular intervals thereafter), there is a need to evaluate the success of the programme. This is done with reference to the objectives of the initiative, as set out in step 1 of this process diagram. The focus should ideally be on reporting against basic success criteria and quantifying the return on investment of the programme.

As an example: the basic measure for success can be a number of professionally qualified staff produced, while the return on investment can be in the form of a cost compairon. A cost comparison could quantify the cost of running this initiative to produce a certain number of professionals versus the cost of externally recruiting the same number of professionals and "topping up" their knowledge and skills to fit the SAI. In acting on the outcomes of the evaluation, the SAI could consider possible corrective action and refinements to the programme or, in extreme cases, the discontinuation of the programme.

Lastly, it is also necessary to ensure continued test alignment and contribution to the SAI's overall strategic plan to ensure that the programme remains as current and relevant as possible.

In the discussions that led to the development of this process flow, three cornerstones of success stand out, namely:

- strategic alignment – does the programme reflect the thinking of SAI leadership as outlined in the SAI strategic plan and does it aim to develop competencies that are an essential requirement of this strategy?
- strategic partnering – does the programme bring together the best possible mix of partners that will ensure the successful design, implementation and evaluation of the programme to best benefit the professional development of staff and ensure optimal training transfer into the workplace?
- strategic evaluation – do the long-term outcomes of the programme impact on the achievement of the expected behaviour and results, as originally envisaged in the SAI's strategic plan?

Initial thinking on a roadmap towards the adoption of INTOSAI professional pronouncements on auditor competence

The INTOSAI community could, with a fair amount of ease, identify a set of universally true generic principles that should guide the development of professionalisation pathways. This shows that the crafting of professional pronouncements on auditor competencies is not an impossible task. There is clearly enough commonality in what each SAI and each INTOSAI Regional Organisation does, to formally pronounce at the level of global standards and guidance.

The research that was conducted on the development of pathways for professional development and the principles that underpin these pathways (as reflected at the end of chapter 4), independently confirmed the need for INTOSAI professional pronouncements on auditor competence. This belief also correlates well with the vision of INTOSAI, as reflected in the INTOSAI Framework for Professional Pronouncements (IFPP), which has already provided a "placeholder" for pronouncements on auditor competence (or competency standards) in this framework.

The outcomes of the independent research project can serve as a solid baseline for work that INTOSAI now needs to embark upon to craft these pronouncements on auditor competence in the period 2019 to 2022. Throughout the work of the TFIAP, we found a common thread of principles that led the team back to the pronouncements of the IAESB and correlates well with this. This commonality as evident both in crafting the FAQ section of chapter 4 and in engaging with the independent research on professionalisation pathways, both of which relied extensively on case studies from SAIs and the broader auditing profession.

Interestingly enough, the IAESB pronouncments were the only pronouncements that, in the view of the TFIAP, struck a good balance between providing specific structure to the professionalisation process and yet still provided adequate flexibility to reflect the uniqueness of differing environments – in short, a good baseline from which to work.

In keeping with the research finding that reminds INTOSAI of the wealth of information available in the broader community on pronouncements, guidance and best practices, it is proposed that:

- the TFIAP continues with its work in the period 2019 to 2022 with a specific mandate to craft INTOSAI competency standards, in consultation with the Forum on INTOSAI Professional Pronouncements (FIPP).

- the pronouncements of the IAESB be used as a baseline for this development process, based on the following principles[14]:

  o testing each of the pronouncements for applicability in the public sector environment,

  o evaluating whether each pronouncement requires additional public sector reflections or whether it will require a complete "public sector" overhaul, and

  o identifying specific areas that will require the development of stand-alone pronouncements. This work would be based on the current research and feedback from the INTOSAI community,

- the work of the TFIAP takes note of the work of other standard-setters and/or professional bodies in the development process (both as per the current research and developments post 2019 INCOSAI), and

- full effect be given to recommendations of the 2018 research project, specifically as it pertains to the refinement and enhancement of current INTOSAI CBC / TFIAP documents.

---

[14]The decision to use the IAESB pronouncements is based on the experiences of the TFIAP, as described in chapter 4, as well as the results of the independent research on professionalisation pathways. Most of the feedback (including PAOs, audit firms and SAIs) indicated a baseline for professionalisation efforts that can be traced backed to the IAESB pronouncements.

6 CONCLUDING COMMENTS

"Global profession, local solution" – The INTOSAI competency framework defines the uniqueness of a public sector auditor within the context of what makes each INTOSAI region and/or Supreme Audit Institution unique. Applying the framework creates a strong foundation for the professional development of staff. Competent staff are the heartbeat of each SAI, ensuring that the mandate of the SAI is executed to best benefit of the citizens it serves.

In keeping with the SAI PMF, the guide also highlights the value of a strong HR management function to ensure the professionalisation of the SAI and its people.

In working on this guide, it became very clear that there is a wealth of information available in the INTOSAI community to assist a SAI in embarking on the journey to further professionalise, through knowledge-sharing and peer-to-peer support. It was also very evident that the work to professionalise SAIs and their staff is a journey of strategic partnerships, both within the INTOSAI community and in the broader public finance management sphere.

The INTOSAI Capacity Building Committee (CBC) sincerely hopes that this guide will be of value to the whole INTOSAI community in making sure that staff that serving in each SAI and each INTOSAI region are fully competent and empowered to work towards the achievement of each SAI's mandate and strategy.