

GUID 1951

Guidance on the
development of
pathways for professional
development of auditors



INTOSAI

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by the International
Organisation of Supreme Audit
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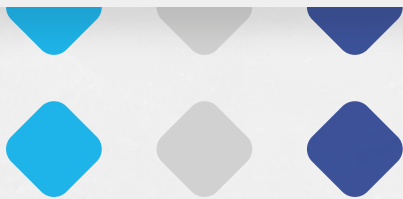
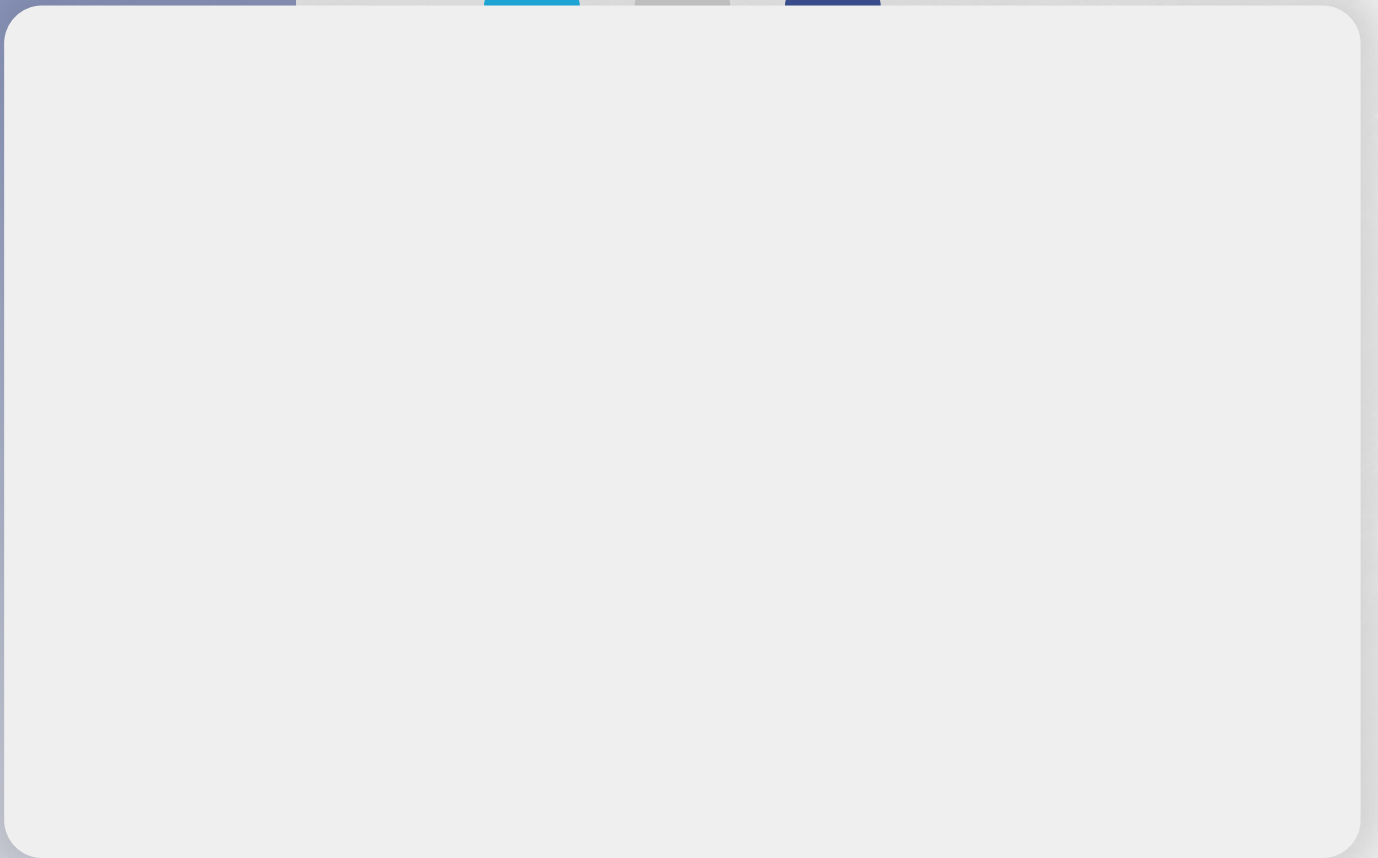


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INTRODUCTION

- 1) *ISSAI 150 – Auditor Competence* sets out four organisational requirements that underpin the responsibilities of a Supreme Audit Institution (SAI) regarding auditor competence.
- 2) Organisational requirement 3 of ISSAI 150 requires that a SAI shall establish dedicated pathways for professional development of auditors, specifically tailored to the SAI's mandate, regulatory framework, organisation structure and needs. These pathways for professional development reflect on the need for initial professional development and continuing professional development.
- 3) GUID 1951 builds on organisational requirement 3 by providing a clear and simple process flow that a SAI can apply in the development of a pathway or pathways for the professional development of its auditors. Due to the nature of the process flow, some of the individual process steps acknowledge the requirements of the remaining organisational requirements of ISSAI 150 and provide further context and guidance in this regard.
- 4) GUID 1951 provides guidance in the context of elements of SAI professionalism (ISSAI 150 para 5).

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OBJECTIVE

- 5) The objective of GUID 1951 is to introduce SAIs to a clear, structured and practical process flow to enable them to develop a pathway or pathways for the professional development of their auditors. This GUID support SAIs in implementing and applying the requirements of ISSAI 150.
- 6) To give effect to this objective, GUID 1951:
 - a) Proposes a ten-step process to guide the development of a pathway for professional development; and
 - b) Provides examples of pathways for professional development typically found across INTOSAI.

- 7) **Competence** is the knowledge, skills and personal attributes critical to successful job performance (ISSAI 150 para 12).
- 8) **A competency framework** is a conceptual model that details and defines the competencies expected of an individual auditor, group or team for a specific task and for a specific position within an organisation. Competency frameworks need to be largely stable and timeless at a broad level. At a more granular level, they need to be dynamic, reflecting the expectations of an ever-changing world. They seek to define the elements needed to drive success and high performance, and will change depending on the circumstances.
- 9) **A pathway for professional development** is a formalised, structured development programme chosen by a SAI and aimed at developing and maintaining competent, professional auditors in the SAI.
- 10) **A SAI strategy for professional development** is a sub-set of an overall SAI organisational strategy, dealing with the purpose of a professionalisation pathway and clearly describes the desired end-state of competencies to be developed.

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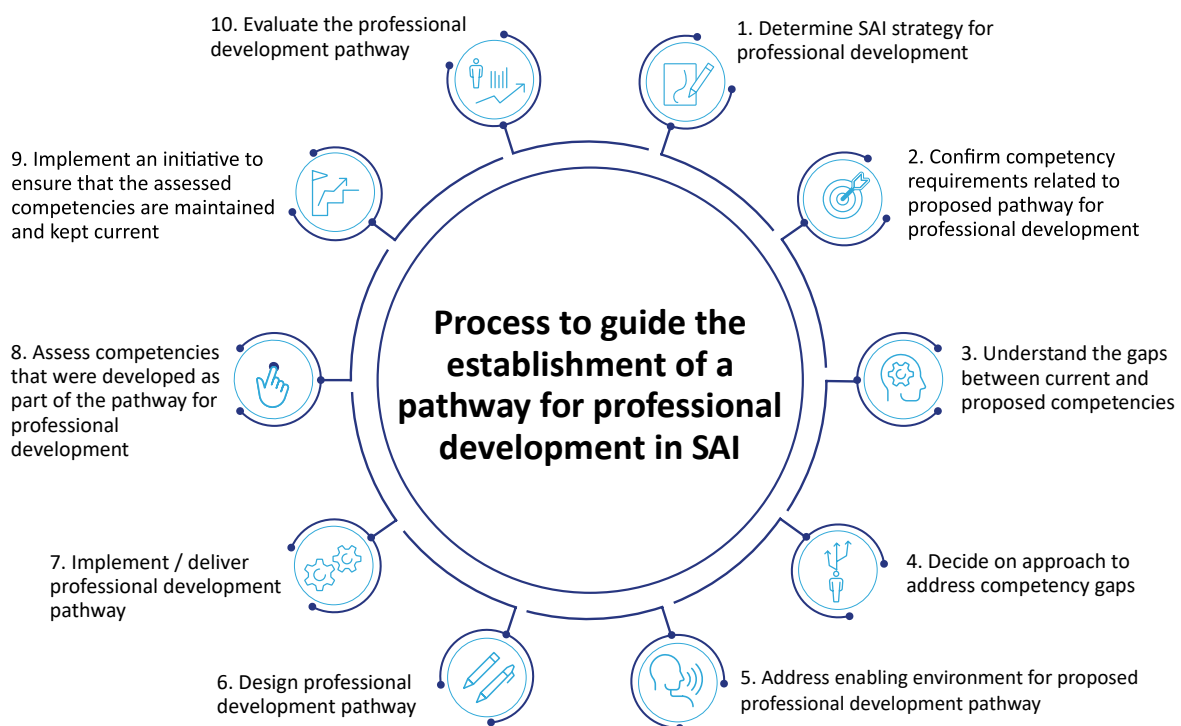
SCOPE

- 11) GUID 1951 provides supplementary guidance in relation to the requirements of ISSAI 150 and does not contain any further requirements for the SAI.
- 12) GUID 1951 provides guidance on the development of an appropriate competency framework for SAIs using the ISSAIs or other auditing standards in the areas of financial auditing, performance auditing and compliance auditing, while also recognising the considerations relating to SAIs with jurisdictional responsibilities.

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KEY PROCESS CONSIDERATIONS

- 13) The 10-step process illustrated below is intended as a strategic enabler for SAI leadership to stimulate thinking around further professionalisation in a SAI, with specific emphasis on the development of competent auditors to give effect to its mandate.



- 14) These 10 steps empower SAI leaders with a clear, structured and practical process to assist in developing and implementing pathways for the professional development of auditors, in keeping with the requirements of ISSAI 150.

- 15) The applicability, scope and order of the 10 steps may differ from SAI to SAI, and from development pathway to development pathway, to cater for the uniqueness of each organisation. To assist SAIs in taking these generic process considerations forward, a number of practical application scenarios have been included as Annexure A.

STEP 1: DETERMINE A SAI STRATEGY FOR PROFESSIONAL DEVELOPMENT

- 16) In this initial step, the SAI leadership needs to outline the exact purpose of the envisaged professional development pathway and precisely describe the desired end-state in a SAI strategy for professional development. It is relevant to distinguish between whether the pathway is aimed at creating a sustainable baseline of competence within a SAI to execute its mandate, and whether it is aimed at preparing the SAI for the future, or both. Such future orientation can 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.
- 17) A key driver of the SAI's strategy for professional development is its overall mandate and related organisational strategic plan. Other avenues of input that can be used are the outcomes of a SAI Performance Measurement Framework (SAI PMF) assessment, the outcomes of an independent peer review or an internal inspection, a basic needs assessment or the intentions of a launched INTOSAI-level initiative (such as auditing of the Sustainable Development Goals).
- 18) The SAI strategy for professional development is also the document that can be used to ensure support for the SAI's professionalisation goals from leadership (or key stakeholders such as Parliament, if relevant). It can also serve as a tool to initially communicate with staff about the envisaged development opportunities.
- 19) It is advisable, to the extent possible even at this early stage, that the desired state be described in a manner that will enable the measurement of ultimate success.
- 20) It is good practice to describe the leadership's consideration of organisational aspects that will be significantly impacted, such as budget considerations, sustainability, impact on policies and procedures, etc.

STEP 2: CONFIRM THE SAI COMPETENCY REQUIREMENTS RELATED TO THE PROPOSED PATHWAY FOR PROFESSIONAL DEVELOPMENT

- 21) The desired end-state that has been described in step 1, now needs to be translated into the particular competencies to be acquired by the SAI. The guidance provided in GUID 1950 can be used to define and document these competencies in a specific competency framework or profile.
- 22) As indicated in GUID 1950, there will be a lot of value in analysing the competency framework or profile into its component parts (knowledge, skills and personal attributes) as these have a direct bearing on the means of developing these competencies. Designing competency frameworks or profiles with assessment in mind, is important at this early stage, as initial guidance towards the design of the pathway.

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

- 23) As a next consideration, it will be important to gain an understanding of the current state of competencies in the target group for professional development within the SAI, with a view to determining the gap between the existing and new competency definitions. In this way, it will be possible to confirm the exact competencies that are being targeted for recruitment and for inclusion in the professional development pathway.
- 24) 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 pathways or learning programmes.

STEP 4: DECIDE ON AN APPROACH TO ADDRESS COMPETENCY GAPS

- 25) It is now up to SAI leadership to make a decision on the most appropriate way to address the competency gaps. There are many options to choose from, such as recruiting for the necessary knowledge, skills and personal attributes, or investing in the development of these competencies, perhaps through an appropriate combination of education and practical training. Other options to consider may include recognition of prior learning and accelerated training programmes. All these can be done within the SAI or in partnership with other providers. If relevant to the SAI, there is also the possibility of engaging with a central government human resource function (such as a Public Service Commission) to source or develop appropriate competencies using the work done in steps 1 to 3.
- 26) The above decisions may be influenced by a host of factors, the most critical being a cost-benefit analysis to test affordability of the professionalisation pathway, and the availability of partners to assist the SAI in implementing the professionalisation initiative.
- 27) Partnering with other role players is an important consideration in this decision. It allows for the in-sourcing of appropriate capacity to handle the professionalisation process where the SAI may not be able to provide specific capacity, and it may in certain instances even enhance the credibility of what is being done. Partners can be selected from within the INTOSAI community (considering options such as the INTOSAI Development Initiative, INTOSAI regional organisations and peer SAIs), or external to the community (professional accountancy organisations, other professional bodies, education and training providers, etc.). In the selection of such partners, matters such as the credibility of the partners and alignment to the strategies of the SAI will be key considerations.
- 28) To the extent feasible, this approach should cater for elements of targeted goal-setting, self-reflection and assessment, and immediate, meaningful feedback per individual participant.

STEP 5: ADDRESS ENABLING ENVIRONMENT FOR THE PROPOSED PROFESSIONAL DEVELOPMENT PATHWAY

- 29) The organisational environment will have to be prepared for the implications of the professional development initiative. Considerations in this regard may include leadership and management buy-in, equipping supervisors with new skills, enhancing policies and procedures, confirming new partnerships for development, and engaging differently on funding required for this initiative.
- 30) The enabling environment needs to be addressed at two levels:
 - a) Enablers that allow the professionalisation initiative to function (e.g. funding, human resource management capacity, policies, practices, learning management systems, etc.); and
 - b) Enablers that allow the SAI to embrace the outcomes of the new professionalisation initiative in the workplace (e.g. procedures that cater for the utilisation of the newly acquired knowledge and skills).

STEP 6: DESIGN PROFESSIONAL DEVELOPMENT PATHWAY

- 31) In broad terms, the team tasked with the development of the pathway for professional development, under the guidance of the SAI leadership, could decide on programme objectives, content, training techniques, pre-testing tools, trainer/facilitator guidance, resources, training transfer considerations, exercises, case studies, simulations, etc.
- 32) The choice of delivery method is also critical in ensuring an appropriate emphasis on practical experience. Delivery methods can include classroom or virtual training and development, on-the job/experiential learning (anything from simulations and field trips to stretch assignments and even commitment to a contracted learnership for a period of time), relationship and feedback learning (coaching, mentoring, appraisals) and off-the-job training (university courses, self-study, e-learning).

- 33) Support for the auditor who participates in the development pathway is an essential enabler in professional development. In addition to the organisational strategic imperatives, the necessary buy-in from the auditor's line manager or supervisor will confirm the belief that the end-result of the training will be useful in the workplace and form part of an ongoing career path. Confirmed support from the line manager during the development process and a commitment that the auditor will receive the necessary opportunity to utilise the newly acquired skills after completion of the programme, will further enhance this message. Support may also include the implementation of a growth-focused performance appraisal system, 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, which may potentially be linked to the pathway, including training records.
- 34) A final step in the design phase will be to confirm the relevant methods of assessment linked to the development pathway, in line with the requirements of organisational requirement 4 of ISSAI 150.

STEP 7: IMPLEMENT/DELIVER PROFESSIONAL DEVELOPMENT PATHWAY

- 35) This step deals with the practicalities and logistics of running the development pathway – deciding on whether the delivery will be conducted virtually or in-person, confirming availability of equipment and material, confirming availability of facilitators (experienced in process requirements and with subject matter expertise), enrolment, travel and accommodation arrangements, etc.
- 36) Another important consideration in this step is the visible support of the SAI leadership. From enrolment to attendance and utilisation of the newly acquired skills, leadership support for the development initiative is a critical enabler, confirming the value-add of the skills being developed in addressing current work needs and, in the longer run, achievement of the SAI's strategy.

STEP 8: ASSESS COMPETENCIES THAT WERE DEVELOPED AS PART OF THE PATHWAY FOR PROFESSIONAL DEVELOPMENT

- 37) At this point, there is a need to evaluate the success of the pathway as implemented at the level of each participating auditor. The assessment – as confirmed in the design phase – will have to take place in the most independent way possible, dealing with the acquisition of competencies at the end of the pathway. This will serve as the first level of testing the success of the initiative.
- 38) Ideally, a possible second level of evaluation, sometime down the line from the actual initiative in play, could focus on whether the new skill is actually being utilised (training transfer into the workplace) and has the necessary impact (fit-for-purpose).
- 39) This may also be the point where certain corrective action is required – either in assisting the staff member who experienced challenges in the two assessment process steps, or in adjusting the development pathway to yield better results.

STEP 9: IMPLEMENT AN INITIATIVE TO ENSURE THAT THE ASSESSED COMPETENCIES ARE MAINTAINED AND KEPT CURRENT

- 40) Considerations during this step cover three levels:
 - a. Keeping the pathway current – updating the structure and contents so that these reflect the most current view of the specific topics at hand;
 - b. Keeping skills current – this is often referred to as a process of “continuing professional development”; and
 - c. Encouraging staff to consider individual preferences for further development.
- 41) Examples of activities that can be considered in this regard include:

- a. Sharing and reflecting on work experiences and SAI practices to grow the knowledge base, learn from successes and failures, and to improve organisational capability;
- b. Attending to basic updates (to “top up” competencies with new developments such as new legislation); and
- c. Retraining (the introduction of a completely reworked and updated audit methodology).

STEP 10: EVALUATE THE PROFESSIONAL DEVELOPMENT PATHWAY

- 42) After the first implementation run of the pathway for professional development (and at regular intervals thereafter), the SAI leadership will be in an ideal position to evaluate the success of the pathway. This is done with reference to the objectives of the initiative, as set out in step 1 above, and can focus on reporting against basic success criteria and quantifying the return on investment in the pathway. As an example: the basic measure for success can be the number of professionally qualified staff produced, while the return on investment can be in the form of a cost comparison. 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. Evaluation can also be done through consultations with stakeholders who are impacted by the envisaged results of the pathway for professional development.
- 43) In acting on the outcomes of the evaluation, the SAI leadership could consider possible corrective action and refinements to the pathway or, in extreme cases, the discontinuation of the pathway.

ANNEXURE A

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

Some of the options available to SAIs wanting to develop a pathway for professional development are discussed with reference to a number of frequently asked questions contained in this annexure.

These options have been arrived at as a result of:

- a. A summary of discussions within INTOSAI over the past number of years on the topic of developing pathways for professional development; and
- b. The outcome of independent research commissioned on this topic by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of INTOSAI.

While the questions below may give the impression of definite stand-alone (mutually exclusive) options, these tend to overlap in practice. Once the SAI leadership is clear on what it wants to achieve from the initiative, the resources that are available, and the 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.

The importance of peer-to-peer support (support between SAIs) cannot be overemphasised as a support mechanism in all the examples cited below.

QUESTION 1:

At 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 or recruiting somebody with underlying knowledge in the area of qualitative or quantitative methods of evaluation).

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

<p>DESCRIPTION</p>	<p>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 either have a different knowledge base than, for example, financial auditors, or have expert knowledge of the subject matter and criteria used on performance audits relevant to their field. The competency framework that has been provided as an example in GUID 7500 or a similar framework can be used as a basis for developing public-sector auditing competencies to supplement their existing professional competencies.</p> <p>This concept may also hold true for auditors in other areas of auditing. Unlike the option described in question 4, the end-result may not necessarily be an externally acknowledged professional qualification. Instead, 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, and having very specific auditing skills.</p>
<p>OBJECTIVE OF PROFESSIONALISATION INITIATIVE</p>	<p>To ensure that SAIs requiring staff with very specific 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 within the SAI environment.</p>

<p>STANDARDS, FRAMEWORKS, POLICIES, PRACTICES OR RULES THAT MAY GUIDE THIS OPTION</p>	<ul style="list-style-type: none"> • ISSAI 150; • GUIDS 1950 and 1951; • Unique public-sector or SAI competency frameworks (such as the example provided in GUID 1950); • SAI mandate and, in general, the SAI’s enabling legislation; • Specific minimum qualification/competency requirements from the SAI’s enabling legislation / public-sector guidelines; 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.). These may include competency requirements set by professional bodies for such subject matter experts.
<p>KEY PARTNERSHIPS</p>	<ul style="list-style-type: none"> • International professional institutes that govern the fields of expert knowledge / professional qualification or designation/licence to practise which the SAI requires; • Regional professional bodies that govern the fields of expert knowledge / professional qualification or designation/licence to practise which the SAI requires; and • Universities that specialise in the required fields of expertise.
<p>KEY CONSIDERATIONS</p>	<p>The combination of a primary field of expertise (e.g. engineering) and 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.</p> <p>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.</p>
<p>CONTINUING PROFESSIONAL DEVELOPMENT</p>	<p>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), while the SAI will have to take responsibility for keeping audit-specific competencies current.</p>

QUESTION 2:

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?

<p>DESCRIPTION</p>	<p>When relying on a central government HR function to supply staff, the SAI can utilise a competency framework that meets its unique needs and requirements 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.</p> <p>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 requirements for entry into public service may include a period during which the candidate works in the SAI and takes the examination after this period.</p> <p>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 on public-sector auditing knowledge and skills, and SAI-specific requirements.</p>
<p>OBJECTIVE OF PROFESSIONALISATION INITIATIVE</p>	<p>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 who enter the SAI to gain the appropriate auditing knowledge and skills to cope with the work of the SAI.</p>
<p>STANDARDS, FRAMEWORKS, POLICIES, PRACTICES OR RULES THAT MAY GUIDE THIS OPTION</p>	<ul style="list-style-type: none"> • ISSAI 150; • GUIDS 1950 and 1951 7500 to 7900; • Unique public-sector or SAI competency frameworks (such as the example provided in GUID 1950); • SAI mandate and, in general, the SAI’s enabling legislation; • Specific minimum qualification/competency requirements as per the SAI’s enabling legislation or public-sector guidelines; • Legislation dealing with public service in that country; • Public service competence requirements; • Public servants’ entry requirements; and • Public service HR policies and practices.

<p>KEY PARTNERSHIPS</p>	<ul style="list-style-type: none"> • Key government officials who can influence HR policy and resourcing decisions; • Public service academies and schools; • Central government HR function; and • National academies/schools of public service.
<p>KEY CONSIDERATIONS</p>	<p>To prepare candidates for the challenges of functioning in an audit environment, SAIs need to take responsibility for adding competencies to those provided by the central government HR function. SAIs can use their own resources for this or they can link up with programmes offered by INTOSAI regional organisations or the INTOSAI Development Initiative (IDI).</p> <p>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 members functioning in an audit environment, is essential for the SAI to be able to agree on, negotiate with or communicate its needs to the central government HR function.</p> <p>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.</p> <p>In certain environments, this professionalisation option poses 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.</p>
<p>CONTINUING PROFESSIONAL DEVELOPMENT</p>	<p>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.</p> <p>The SAI may also consider the requirements of professional accountancy organisations (PAOs) as guidance to develop own requirements.</p>

QUESTION 3:

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

<p>DESCRIPTION</p>	<p>It is indeed possible for SAIs to partner directly with a university to create options for professional development. Obviously, the SAI will have to take responsibility for matching competency requirements that can be addressed through an education programme, with specific courses at university level. Since 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 further competency development responsibilities in addition to 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 pathway is that it may actually be easier to tailor it to the public-sector and the SAI's requirements than in the scenario described in question 1.</p> <p>A potential drawback may be that the SAI will not enjoy the benefits of having an independent partner to oversee/assess the success of the development pathway. That said, it can easily be overcome by setting up appropriate internal governance processes.</p> <p>This option could also be applicable to all areas of auditing (not just financial auditing as described in question 1).</p> <p>Typically, these pathways will consist of a package made up of the following:</p> <ul style="list-style-type: none"> • A preferred qualification (sometimes also with preferred subject choices) set as a minimum requirement for entry 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.
<p>OBJECTIVE OF PROFESSIONALISATION INITIATIVE</p>	<p>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.</p>
<p>STANDARDS, FRAMEWORKS, POLICIES, PRACTICES OR RULES THAT MAY GUIDE THIS OPTION</p>	<ul style="list-style-type: none"> • ISSAI 150; • GUIDS 1950 and 1951; • Unique public-sector or SAI competency frameworks (such as the example provided in GUID 19507500); • SAI mandate and, in general, the SAI's enabling legislation; • Specific qualifications that match the competencies of the SAI; and • The entry requirements and academic rules of the university / tertiary education entity involved.

<p>KEY PARTNERSHIPS</p>	<ul style="list-style-type: none"> • 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.
<p>KEY CONSIDERATIONS</p>	<p>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 applies to (a) programmes/qualifications offered by a university; (b) programmes offered by INTOSAI regional organisations / IDI / other training providers; and (c) in-house programmes.</p> <p>The extent of work required to develop, implement and administer the pathway will in all probability require the SAI to set up a dedicated learning unit to handle the initiative, resourced with appropriately qualified education and training specialists.</p> <p>The SAI's human resource management division will also have to attend to policy matters dealing with funding of studies, study leave, minimum qualification requirements, etc.</p>
<p>CONTINUING PROFESSIONAL DEVELOPMENT</p>	<p>It will be up to the SAI to specify CPD requirements, although it could benefit from benchmarking with other SAIs, PAOs, private auditing firms, etc.</p>

QUESTION 4:

One of the options often mentioned in professionalisation efforts is to strategically partner with a Professional Accountancy Organisation (PAO) in offering a pathway for professional development.

How would one handle such a relationship?

<p>DESCRIPTION</p>	<p>It may be possible for SAIs (especially those with a strong focus on financial audit) to partner with PAOs to develop audit professionals for the SAI. This could result in a professional qualification and/or designation, with successful candidates registering as members of the PAO.</p> <p>Typically, these pathways 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 learnerships) and linked to a specific professional qualification examination/assessment.</p> <p>In ideal circumstances, both the educational and the practical work elements of the pathway will focus on the public sector, based on an ISSAI-based competency framework, such as the example contained in GUID 7600. In practice, educational programmes tend to be more generic, leaving it to the SAI to address the public-sector element during the period of practical work.</p> <p>In essence, the SAI functions as an accredited PAO training office that certifies competencies gained during the period of practical work (under the guidance of an experienced mentor/supervisor). Taking into account the competencies gained in the academic portion of the pathway, this would add up to an overall professional qualification programme.</p> <p>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.</p>
<p>OBJECTIVE OF PROFESSIONALISATION INITIATIVE</p>	<p>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 good knowledge of the public sector and public-sector auditing.</p>

<p>STANDARDS, FRAMEWORKS, POLICIES, PRACTICES OR RULES THAT MAY GUIDE THIS OPTION</p>	<ul style="list-style-type: none"> • ISSAI 150; • GUIDS 1950 and 1951; • Unique public-sector or SAI competency frameworks (such as the example provided in GUID 1950); • SAI mandate and, in general, the SAI’s enabling legislation; • Specific minimum qualification/competency requirements as per the SAI’s enabling legislation / public-sector guidelines; • Competency requirements set by the PAO; • International Education Standards (IES); and • Professional pronouncements issued by accounting and/or auditing professional institutes (IFAC accredited and others).
<p>KEY PARTNERSHIPS</p>	<ul style="list-style-type: none"> • IFAC; • PAOs; • Professional institutes; • Regional professional bodies; and • Universities / academic institutions accredited by the PAO.
<p>KEY CONSIDERATIONS</p>	<p>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 pathway) will include 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, in terms of both classroom training and on-the-job exposure. An alternative may be to require exposure to public administration during the educational element of the pathway.</p> <p>The pathway 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 initiative.</p> <p>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 of logbook processes, and requirements for reporting to the PAO.</p>
<p>CONTINUING PROFESSIONAL DEVELOPMENT</p>	<p>PAOs will normally require that members, after qualification, prove an annual investment in CPD activities, either in terms of hours or by presenting 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.</p>

QUESTION 5:

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

<p>DESCRIPTION</p>	<p>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.</p> <p>Recruitment-wise there appears 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 to rely on a central government HR function to provide resources. Although the latter implies 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.</p> <p>A tailored competency framework (such as the example provided in GUID 1950) 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 for developing a professional who has only legal competencies into a professional with both legal AND public-sector auditing competencies.</p> <p>In many of the observed cases, the professional development pathway for SAI employees with jurisdictional responsibilities appears to follow a route similar to that described in question 2. The difference is that there is a much stronger emphasis on their standing in the legal profession, especially at more senior levels.</p>
<p>OBJECTIVE OF PROFESSIONALISATION INITIATIVE</p>	<p>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.</p>
<p>STANDARDS, FRAMEWORKS, POLICIES, PRACTICES OR RULES THAT MAY GUIDE THIS OPTION</p>	<ul style="list-style-type: none"> • ISSAI 150; • GUIDS 1950 and 1951; • Unique public-sector or SAI competency frameworks (such as the example provided in GUID 1950); • SAI mandate and, in general, the SAI's enabling legislation; • Specific minimum qualification/competency requirements as per the SAI's enabling legislation/public-sector guidelines; • Competence (and other professional) requirements set by the relevant legal profession/fraternity; • Public service competence requirements, • Public servants' entry requirements; and • Public service HR policies and practices.

<p>KEY PARTNERSHIPS</p>	<ul style="list-style-type: none"> • Legal profession in the country in which the SAI operates; • 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.
<p>KEY CONSIDERATIONS</p>	<p>At 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.</p> <p>The Forum of SAIs with Jurisdictional Responsibilities has made a strong 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.</p>
<p>CONTINUING PROFESSIONAL DEVELOPMENT</p>	<p>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.</p>

QUESTION 6:

Given the responses in the previous questions, it may be possible for SAIs to deal fully with their professional development needs on an in-house basis.

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

<p>DESCRIPTION</p>	<p>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.</p> <p>This option may include awarding 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 capacitating specific job levels within a SAI.</p> <p>The curricula for such a pathway will be fully tailored to the needs of the SAI and typically based on the INTOSAI/SAI competency framework requirements.</p>
<p>OBJECTIVE OF PROFESSIONALISATION INITIATIVE</p>	<p>To provide SAI staff members with a fully in-house development pathway that speaks 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.</p>
<p>STANDARDS, FRAMEWORKS, POLICIES, PRACTICES OR RULES THAT MAY GUIDE THIS OPTION</p>	<ul style="list-style-type: none"> • ISSAI 150; • GUIDS 1950 and 1951; • Unique public-sector or SAI competency frameworks (such as the example provided in GUID 1950); • SAI mandate and, in general, the SAI's enabling legislation; • Specific minimum qualification/competency requirements as per the SAI's enabling legislation/public-sector guidelines; and • Legislation dealing with the set-up of tertiary education programmes / universities in the country concerned.
<p>KEY PARTNERSHIPS</p>	<ul style="list-style-type: none"> • Bodies that regulate tertiary education in the country concerned; • National bodies that regulate qualifications in the country.
<p>KEY CONSIDERATIONS</p>	<p>The resource investment in a fully in-house set-up may be considerable 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 may include efficiency, cost and ability to attract the best possible teachers.</p> <p>Mobility to the broader profession may be limited due to the unique tailoring of the pathway.</p>
<p>CONTINUING PROFESSIONAL DEVELOPMENT</p>	<p>The SAI will have to determine these requirements with reference to best practice in the industry / education system / country.</p>

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 deal with the challenges of a public sector audit?

<p>DESCRIPTION</p>	<p>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 might not have the full set of competencies needed to execute a public-sector audit. The competency framework can be used either to guide the selection of firms to partner with, or to identify those competencies that are lacking and may need to be developed further.</p> <p>Specific learning interventions can be offered 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 may become a compulsory consideration in the SAI's decision to appoint/allow a private audit firm to operate in a certain environment.</p>
<p>OBJECTIVE OF PROFESSIONALISATION INITIATIVE</p>	<p>To ensure that, where private firms do work on behalf of a SAI, they have the necessary competencies or are empowered to audit in a public-sector environment.</p>
<p>STANDARDS, FRAMEWORKS, POLICIES, PRACTICES OR RULES THAT MAY GUIDE THIS OPTION</p>	<ul style="list-style-type: none"> • ISSAI 150; • GUIDS 1950 and 1951; • Unique public-sector or SAI competency frameworks (such as the example provided in GUID 1950); • SAI mandate and, in general, the SAI's enabling legislation; • Specific minimum qualification/competency requirements as per 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 auditing firms; • Qualification and competency arrangements of professional institutes / audit regulators that oversee the competency and functioning of private auditing firms); and • Qualification and competency arrangements of individual private auditing firms.
<p>KEY PARTNERSHIPS</p>	<ul style="list-style-type: none"> • 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.

<p>KEY CONSIDERATIONS</p>	<p>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).</p> <p>Consideration may be given to providing “profession-level” guidance to private auditing firms (ideally with the necessary “stature”) to enable them to understand and cope with the requirements of working in the public-sector environment.</p> <p>SAIs may consider a requirement that only auditors with certified public-sector audit competencies may work on public-sector audits (a “licence to audit in public sector” consideration).</p>
<p>CONTINUING PROFESSIONAL DEVELOPMENT</p>	<p>This will be in line with the SAI’s normal requirements for CPD, but cognisance may be taken of the requirements that apply in the private-sector portion of the profession.</p>

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 pathway?

Partnering with the likes of the IDI or an INTOSAI regional organisation may be useful, especially once some of the current initiatives of these organisations come to fruition. International and regional organisations create increased economies of scale, which can make a professional development pathway viable for SAIs with possible resource constraints. This is particularly effective in regions where the mandates and work of the SAI are fairly homogeneous.

Regional organisations can centralise professional development functions such as developing learning materials that address common needs, while SAIs may take responsibility for elements such as practical expertise and mentoring.

IDI

During the 2016 INCOSAI in Abu Dhabi, the then 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.

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 and have launched a pilot from March 2021. Background information on this project can be found on the IDI website (www.idi.no).

The name of this initiative 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 bear responsibility for adding certain public-sector audit, SAI- and country-specific competencies to a baseline (consisting of either existing competencies or 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

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. The initiative is aimed at addressing a broader need for capacity of accounting professionals to support public financial management, including financial auditors. This is achieved through partnerships between regional organisations representing a variety of stakeholder groups collaborating to implement this initiative.

Background information on this project is available on <https://professionalisation.africa>.

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 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 pathway such as described in questions 1 to 6 above?

SAIs that are not in a position to structure or institute a comprehensive professional development pathway will have to consider alternative means, borrowing from the preceding questions. Similarly, SAIs working in complex and challenging contexts may find some of the concepts described in these questions relevant to their needs.

Options may include:

- recruiting very specific professionally qualified staff (in other words, being extremely pedantic about competencies required);
- long-term peer-to-peer support options between SAIs;
- 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, as part of a bigger investment in strengthening public finance management in its country.

QUESTION 10:

In the work of the task force, recognition for prior learning (or even the concept of “grand-fathering”) was noted 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 grand-fathering 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 a development pathway, it would be inappropriate for these to play a role in the final assessment of competence at the end of the learning process. It is important to note that this option assumes that 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 initiative.