

INTOSAI



# Professional development in INTOSAI - a white paper

September 2014

FINAL DRAFT



# Contents

---

Abbreviations .....	3
Executive summary .....	4
Chapter 1: Professional development: An introduction .....	7
Chapter 2: Key principles for professional development in INTOSAI.....	22
Chapter 3: Professional development options and recommendation.....	25
Annexe A – Professional development options .....	29

DRAFT

## Abbreviations

<b>AFROSAI</b>	African Organization of Supreme Audit Institutions
<b>AFROSAI-E</b>	African Organization of Supreme Audit Institutions in English-speaking Africa
<b>CBC</b>	INTOSAI Capacity Building Committee
<b>CPE</b>	Continuous professional education
<b>FAC</b>	INTOSAI Finance and Administration Committee
<b>iCATs</b>	ISSAI compliance assessment tools
<b>IDI</b>	INTOSAI Development Initiative
<b>IFAC</b>	International Federation of Accountants
<b>INTOSAI</b>	International Organization of Supreme Audit Institutions
<b>INCOSAI</b>	INTOSAI Congress
<b>ISSAIs</b>	International Standards of Supreme Audit Institutions
<b>KSC</b>	INTOSAI Knowledge Sharing Committee
<b>OLACEFS</b>	Organization of Latin American and Caribbean Supreme Audit Institutions
<b>PASAI</b>	Pacific Association of Supreme Audit Institutions
<b>PMF</b>	SAI performance measurement framework
<b>PSC</b>	INTOSAI Professional Standards Committee
<b>SAI</b>	Supreme audit institution
<b>TFSP</b>	Task Force for Strategic Planning
<b>3i</b>	ISSAI Implementation Initiative

## Executive summary

Ever since its inception, the International Organization of Supreme Audit Institutions (INTOSAI) through its numerous bodies – namely the General Secretariat, INTOSAI committees and working groups, INTOSAI regions and the INTOSAI Development Initiative (IDI) – has promoted and supported capacity development of supreme audit institutions (SAIs). This capacity development includes three aspects, namely institutional capacity in terms of independence and legal framework, organisational capacity in terms of structures and processes, and professional staff capacity in terms of professionally qualified people. It is such capacities that enable SAIs to perform and deliver value and benefits to their citizens by contributing to accountability and transparency, staying relevant and leading by example. The adoption of the International Standards of Supreme Audit Institutions (ISSAIs) in 2010 and the assertion of Purpose and Authority of ISSAIs (ISSAI 100) and Value and Benefits of SAIs (ISSAI 12) in 2013 set the stage for a global public sector audit profession that captures what is common across a large range of SAIs in the INTOSAI community.

To continue supporting the professional development of this unique public sector audit profession as defined in ISSAI 100, it was necessary to explore the terms and concepts related to professional development, such as certification, accreditation and qualification. While some stakeholders in INTOSAI had a primary interest in capacity development and implementation of ISSAIs, others were also interested in possible revenue streams from certification programmes. Other questions to be answered were whether SAIs should be certified, or whether certification should only be for individuals in a SAI.

To explore these issues, a task group was set up under the leadership of the INTOSAI Capacity Building Committee (CBC). The task group has the following mandate:

- *Establish a common understanding among stakeholders of key terms, requirements and processes related to professional development, namely profession, public sector external audit professional, certification and accreditation in the INTOSAI context.*
- *Explore and evaluate different options for such development, and recommend a broad outline solution for professional development for further discussion and decision as a part of INTOSAI's strategic planning process.*

In this white paper, the task group explores the concepts of public sector auditing, public sector audit profession and professional development in INTOSAI as well as terms such as certification, accreditation and qualification. The task group agreed that while supporting professional development would need assistance for both professional development of the SAI and the individual, this white paper would concentrate on the professional development of the individual.

The task group noted the tremendous importance and need for professional development through INTOSAI certification. There is a need to address unique public sector audit requirements and challenges, support ISSAI implementation, create an INTOSAI brand just like that of the ISSAIs, achieve economies of scale, harness in-kind contributions, and address the demands of the SAI community. This was expressed in reaction to the internal scanning done by the Task Force on Strategic Planning (TFSP), which confirms

an overwhelming need for INTOSAI to consider opportunities for certification and accreditation. The task group also observed through lessons learned from current practices of professional development that there was no certification that addressed the unique needs of public sector auditing as defined by ISSAI 100.

After extensive discussions with a wide range of stakeholders, the task group identified eight key principles to be followed in developing any INTOSAI certification. These are INTOSAI owned, ISSAI based, needs based and inclusive, providing for timely maintenance and core consistency with flexible tailoring, providing a learning ladder and modular approach, sustainable, credible, and creating partnerships and ownership.

Based on these principles and the definition of the certification framework, the task group discussed five possible options, ranging from maintaining the status quo to a completely outsourced model. The task group also considered the issue of revenue streams and concluded that it was too early in the process to speak of revenue streams. At this stage, it was more important to find a financially sustainable solution that would be affordable for all SAIs. After examining the pros and cons of the options and considering a number of questions that needed answering, the task group concluded that developing a competency framework and syllabus and piloting a certification programme were necessary to find concrete answers before INTOSAI certification could be formally adopted. Further research on certification and accreditation, exploring relationships with external bodies, the financing model and a feasibility study will also need to be undertaken as a part of the pilot.

In this quest to enhance professional development, the task group expresses strong support for the initiative led by the INTOSAI Professional Standards Committee (PSC), as outlined in its white paper on this topic, to find a more sustainable solution for standard setting in INTOSAI. With the PSC leadership, the task group recognises the need for very close working relationships between all the INTOSAI goal chairs to give added momentum for professional development in INTOSAI.

The task group recommends and seeks approval from the INTOSAI Governing Board for the following way forward:

1. To develop a core competency framework for public sector auditing and pilot a certification programme to test INTOSAI certification as per the plan outlining timelines as well as roles and responsibilities detailed in this white paper.
2. To explore relations with other professional bodies and stakeholders, further research certification and accreditation models, identify and address risks, explore financing models and review the feasibility of such a process as part of the pilot by CBC, IDI and partners. Also, to consult in more depth on this topic with the broader INTOSAI membership and, potentially, end-users, as a part of the pilot.

3. CBC to consider ways to consolidate effort in the INTOSAI community to give more structure to, and consolidate efforts for, SAI assessment, as evidenced through current peer review efforts and/or the current effort to assess SAI capacity, performance and compliance through the SAI performance measurement framework (PMF) or ISSAI compliance assessment tools (iCATs).

More detail in this regard is contained in the final chapter of this whitepaper.

**Any role envisaged for the IDI in the options and recommendations of this white paper is subject to approval of the IDI Board and the availability of adequate resources.**

DRAFT

## Chapter 1: Professional development: An introduction

SAls play a key role in the societies within which they operate. They can foster trust in governments and good governance by strengthening external financial control, ensuring government accountability, serving as reform agents, improving transparency, strengthening state-society relations and legitimacy, and contributing to development.

ISSAI 12, endorsed by the INTOSAI Congress (INCOSAI) in 2013, describes three principles through which SAls should deliver value and benefits that make a difference in the lives of citizens:

- Contribute to strengthening the accountability, integrity and transparency of government and public entities
- Demonstrate ongoing relevance to citizens and other stakeholders
- Are model organisations that lead by example



The ISSAIs define benchmarks of SAI positioning, independence as well as entity and audit engagement level standards that SAls should meet to be a relevant contributor to the lives of citizens. Through INTOSAI, SAls have embarked on a common journey towards implementing and complying with ISSAI requirements.

### What is public sector auditing?

In 2013, INCOSAI also endorsed a new level 3 of the ISSAI framework, namely the fundamental principles of public sector auditing. ISSAI 100 defines public sector auditing and its objectives as follows:

*'The public-sector audit environment is that in which governments and other public-sector entities exercise responsibility for the use of resources derived from taxation and other sources in the delivery of services to citizens and other recipients. These entities are accountable for their management and performance, and for the use of resources, both to those that provide the resources and to those, including citizens, who depend on the services delivered using those resources. Public-sector auditing helps to create suitable conditions and reinforce the expectation that public-sector entities and public servants will perform their functions effectively, efficiently, ethically and in accordance with the applicable laws and regulations.'*

*In general public-sector auditing can be described as a systematic process of objectively obtaining and evaluating evidence to determine whether information or actual conditions conform to established criteria. Public-sector auditing is essential in that it provides legislative and oversight bodies, those charged with governance and the general public with information and independent and objective*

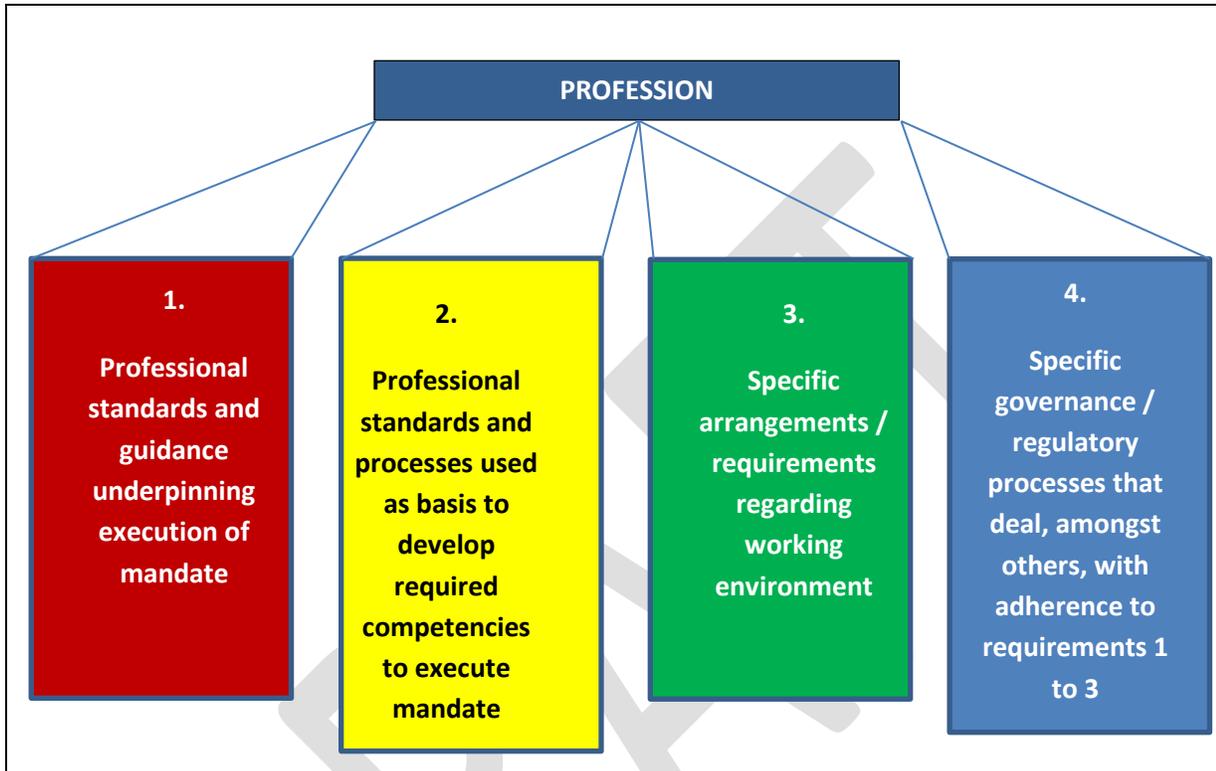
*assessments concerning the stewardship and performance of government policies, programmes or operations. SAIs serve this aim as important pillars of their national democratic systems and governance mechanisms and play an important role in enhancing public-sector administration by emphasising the principles of transparency, accountability, governance and performance. All public-sector audits start from objectives, which may differ depending on the type of audit being conducted. However, all public-sector auditing contributes to good governance by:*

- *providing the intended users with independent, objective and reliable information, conclusions or opinions based on sufficient and appropriate evidence relating to public entities;*
- *enhancing accountability and transparency, encouraging continuous improvement and sustained confidence in the appropriate use of public funds and assets and the performance of public administration;*
- *reinforcing the effectiveness of those bodies within the constitutional arrangement that exercise general monitoring and corrective functions over government, and those responsible for the management of publicly-funded activities; and*
- *creating incentives for change by providing knowledge, comprehensive analysis and well founded recommendations for improvement.'*

## What is a public sector audit profession?

The different elements of a **public sector audit profession** can be defined based on the four elements shown in the figure below:

Figure 1: Components of a profession



The **first element** refers to the professional standards framework or the requirements that all members should follow in the profession. In the INTOSAI context, the ISSAI framework would be the standards and framework that underpins the public sector audit profession.

The **second element** relates to the competencies that the members of the profession must have to implement their mandate as per the standards. In this context, it refers to a set of commonly shared and accepted core competencies for a professional public sector auditor (as defined in ISSAI 100). It is accepted that differing mandates and legislative mandates may require additional competencies to be added to this framework to tailor these requirements to the needs of a specific SAI.

The **third element** requires the profession to define specific arrangements or requirements in the working environment. These are currently defined at level 2 of the ISSAI framework, where entity-level requirements are articulated. These could form the basis of future requirements.

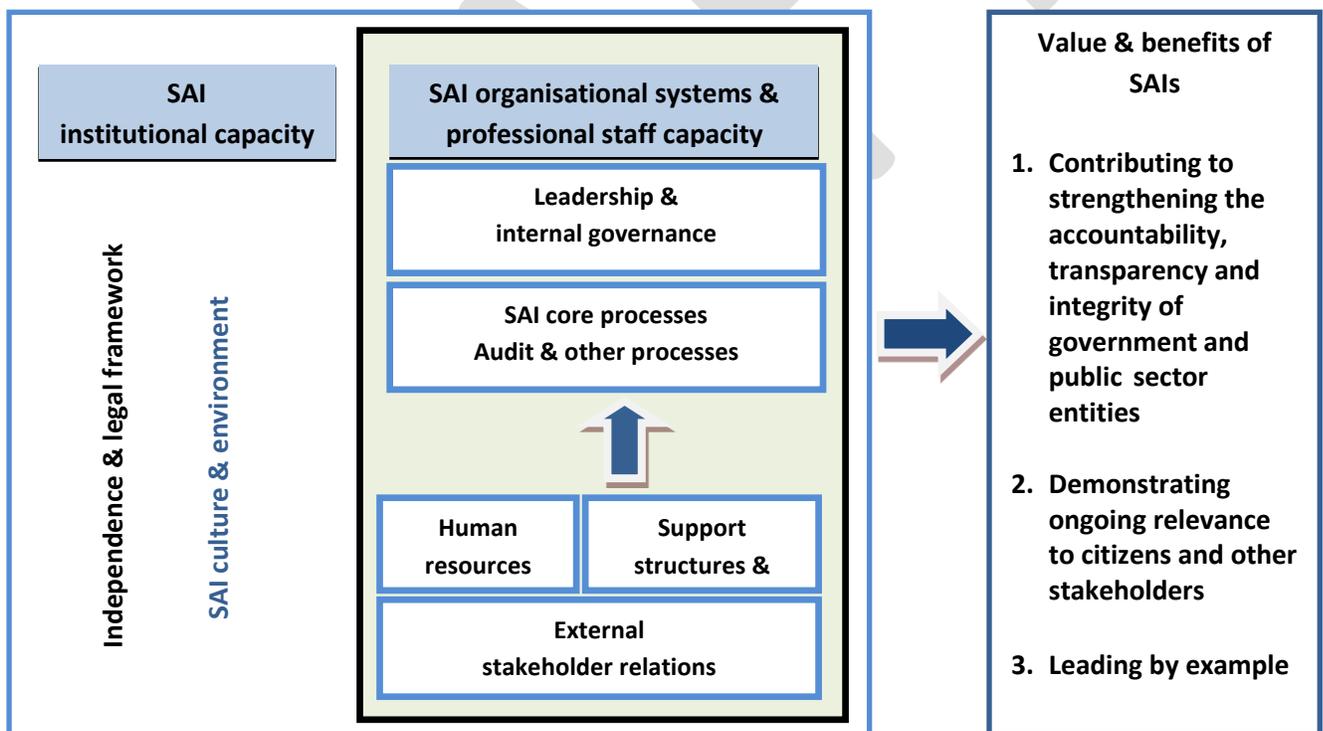
The **fourth element** requires a regulatory mechanism that checks compliance with requirements defined in the standards. To support and evaluate the professional development of a SAI, an evaluation framework such as the PMF and compliance tools such as iCATs can be used, besides other evaluation and compliance frameworks developed in the INTOSAI community, such as peer reviews. These tools enable SAIs to measure their overall performance and compliance against ISSAIs.

## What is professional development in INTOSAI?

Against this background, **professional development** of a SAI and its people can be defined as their increased ability to meet the requirements of the benchmarks set by the ISSAIs for SAIs at both an institutional level (level 1 and level 2 of the ISSAI framework) and individual audit level (level 3 and level 4 of the ISSAI framework) and the adoption of a framework to evaluate performance and compliance against the standards.

Enhancing the performance and capacities of SAIs to meet the requirements set by the ISSAIs requires an integrated approach to capacity development. Such an approach should aim to establish appropriate institutional and organisational capacity and structures, as well as a critical mass of professional people who are suitably qualified to implement professional practices in their respective SAIs. The SAI capacity development framework of the IDI captures this model very well, as it speaks of supporting SAIs in enhancing their institutional, organisational systems and professional staff capacity to enable them to provide the value and benefits envisaged under ISSAI 12, as illustrated below.

Figure 2: The IDI's SAI Capacity Development Framework - Link between SAIs' institutional, organisational systems and professional staff capacity



Enhancing institutional capacity involves strengthening the SAI's independence and legal framework to meet the independence and mandate envisaged for SAIs in ISSAI 1 of the Lima Declaration and ISSAI 10 of the Mexico Declaration, and as supported by UN resolution A/66/209. Besides having a sufficiently strong mandate and independence, SAIs also need organisational and professional staff capacities to deliver on their mandates. This involves having the right tone at the top and internal governance mechanisms, including an overall strategy and vision that will show the right direction. To deliver high-

quality products on their core business (in other words, audit reports), SAIs need audit processes that meet the requirements of ISSAIs, qualified professional staff that can understand and implement audit processes as per the standards, strong stakeholder relations as well as the necessary infrastructure and support for all processes in the SAI. When SAIs and its people have the capacities described above, they are able to deliver value and benefits as envisaged in ISSAI 12.

Ever since its inception, considerable work has been done in the INTOSAI community regarding knowledge sharing and supporting development of SAIs. Various INTOSAI bodies, including the General Secretariat, INTOSAI goal committees and working groups, the IDI and INTOSAI regions, have carried out numerous knowledge-sharing and capacity-development initiatives for strengthening the independence of SAIs, their organisational systems and the professional development of their staff.

The adoption of ISSAIs adds another dimension to the professional development of individual auditors. ISSAI 100 details general principles that require auditors to comply with relevant ethical requirements and be independent; maintain appropriate professional behaviour by applying professional scepticism, professional judgement and due care throughout the audit; perform the audit in accordance with professional standards on quality control; and possess or have access to the necessary skills.

In dealing with professional competence, ISSAI 100 says:

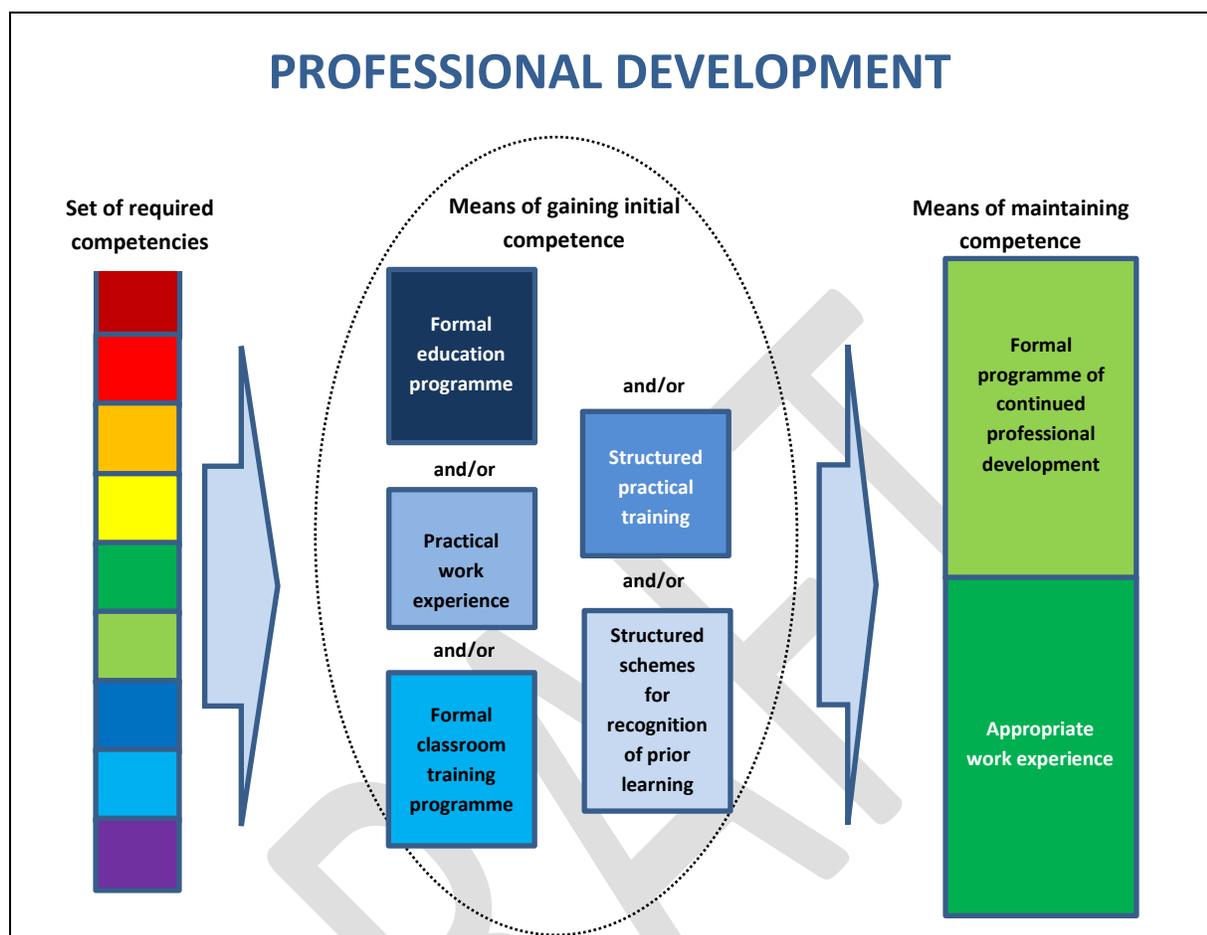
*'The individuals in the audit team should collectively possess the knowledge, skills and expertise necessary to successfully complete the audit. This includes an understanding and practical experience of the type of audit being conducted, familiarity with the applicable standards and legislation, an understanding of the entity's operations and the ability and experience to exercise professional judgement. Common to all audits is the need to recruit personnel with suitable qualifications, offer staff development and training, prepare manuals and other written guidance and instructions concerning the conduct of audits, and assign sufficient audit resources. Auditors should maintain their professional competence through ongoing professional development.'*

The SAI community is a unique and diverse group consisting of different types of SAIs with varying mandates and staff with diverse backgrounds. While preserving this uniqueness of the community, ISSAI 100 now defines public sector auditing and requires professionally competent staff as described above. The process of developing a critical mass of such professionally competent people entails the professional development of the individual in the INTOSAI community. Such a process could include the elements illustrated in figure 3 on the next page.

Many SAIs in the INTOSAI community already use such a structured professional development process for their staff. However, there are many SAIs that are yet to institute such processes due to lack of capacity and resources. There is thus a need to consider the requirements of such a process at an INTOSAI level, which can be offered to SAIs on a voluntary basis to support professional development of their staff in line with the professional competence envisaged in ISSAI 100.

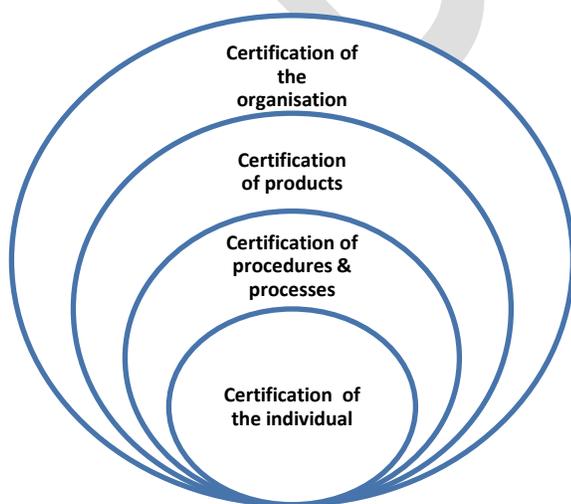
Such structured professional development can be achieved through certification mechanisms.

Figure 3: Process of structured professional development of individuals



**Certification** can be defined as a formal procedure by which an accredited or authorised person or agency assesses, verifies and attests in writing by issuing a certificate the attributes, characteristics, competencies, quality, qualification or status of individuals or organisations, procedures or processes, or events or situations, in accordance with established requirements or standards.

Figure 4: Types of certification

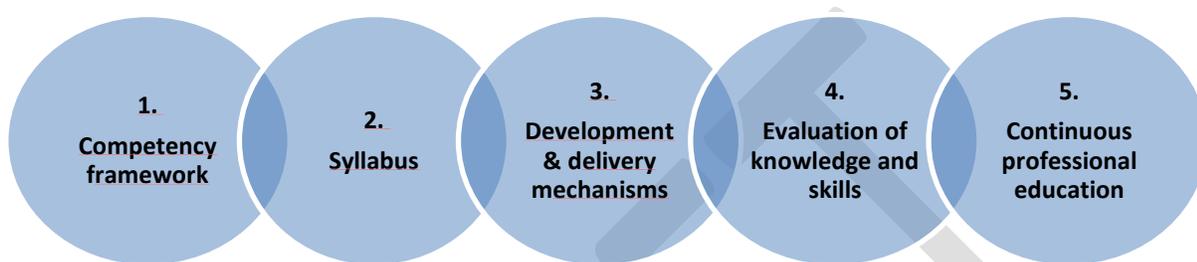


As indicated in figure 4, certification can take place at a number of levels. This document focuses on certification mechanisms for the professional development of the individual. This simply means the processes of assessing, verifying, confirming (by issuing a certificate) and maintaining competence gained by an individual.

Figure 3 shows that certification may focus on the recognition of development in a variety of

ways. Similarly, the format of assessment of competence may take the form of tests, simulated assessments or logging practical experience, extending all the way to formal ‘licensing’ or qualification examinations. At the heart of building a certification system for the professional development of an individual, lies a number of process steps that build on a basic set of competencies. In broad terms, a competency-based **certification framework** would consist of the following elements:

Figure 5: Certification framework



1. **Competency framework:** Defines the set of competencies that the individual must display to be certified.
2. **Syllabus:** An outline and summary of topics to be covered in an education or training course for the certification programme.
3. **Development and delivery mechanisms:** The process of developing detailed courseware and study material based on the prescribed syllabus and delivery mechanisms. This may be in the form of any of the development options outlined in figure 3.
4. **Evaluation of knowledge and skills:** The need for appropriate independent mechanisms for evaluating both knowledge and skills.
5. **Continuous professional education (CPE):** Depending on the framework, an individual may be certified for life or the framework may define CPE requirements to maintain the certification. In case of the latter, the certifying agency has to define criteria for CPE and have a mechanism for review and monitoring.

To ensure the credibility of the certification process, it is necessary that an acceptable level of assurance exists on the quality of certification. These quality assurance requirements can be dealt with within the certifying organisation or through an external review process.

While INTOSAI may set up its own certification mechanism, it may also decide to accredit other providers to issue certification on its behalf in view of future demand and to provide for flexibility. In the context of this white paper, **accreditation** can be described as INTOSAI’s recognition of its own bodies, SAIs and other professional bodies as having the necessary systems and processes to provide INTOSAI

certification. An accreditation mechanism is necessary to protect the INTOSAI brand and ensure that organisations delivering the certification meet the standards or criteria for such delivery.

INTOSAI may also choose to centralise its certification and have only approved training providers to train SAI auditors to take the centralised evaluations and fulfil CPE requirements. The different options presented later in this paper will explore the implications of these choices as they relate to accreditation.

### Learning Ladder leading to qualification

The main outcome of professional development of individuals through certification and accreditation mechanisms in INTOSAI is to create a public sector audit professional as described by ISSAI 100. Such a qualified professional:<sup>1</sup>

- possesses the wide range of underpinning knowledge and understanding required not just to carry out his/her own work but also to comprehend the wider issues relating to how systems and procedures interact to produce the outcomes and outputs desired,
- displays work-related competences that enable him/her to deliver the required outputs efficiently and effectively and with minimum levels of supervision,
- has demonstrated his/her mastery of the necessary knowledge and competences through definitive, summative assessments conducted by an independent assessment agency,
- observes and complies with independently established and enforced standards in the execution of his/her work and the exercise of his/her technical and managerial responsibilities,
- is committed to a programme of lifelong learning to adapt and improve his/her knowledge, understanding and competence in line with developments in his/her chosen field, and
- subscribes to an independent code of conduct that governs his/her attitudes and behaviour; breaches of which can lead to externally imposed sanctions on his/her continued status and earning capacity.

However, INTOSAI has to consider that different SAIs and different individuals in the SAIs are at varying levels of maturity and growth in terms of the ISSAIs. As such, there would be a need to take a **modular approach** to qualification and possibly develop certification programmes for different levels, starting at audit practitioner and building up to a full qualification as a professional. This approach will help both the SAIs and the individuals.

---

<sup>1</sup> AFROSAI-E Concept Note on Professionalisation of Public Sector Accounting and Auditing in Africa.

## Professional Development of SAIs

The final goal of professional development is not just the development of the individual but also the development of the SAI. Professionalisation demands not only a commitment to train personnel to the necessary standards, but also the creation of an environment in which professional attitudes are encouraged, developed and supported through an institutional infrastructure that extends beyond the SAI. If work is to be carried out to professional standards in any SAI, the SAI needs to be able to support the processes that underpin professionalism.

This requires that the SAI:

- duly recognises professional certification options and provides a conducive environment and incentives to create, attract and retain professionals,
- has a proper organisational and management structure and work processes that support professional practice, and
- has an institutional framework that allows the SAI to support professional practice.

This means that even as INTOSAI explores different options for professional development of individuals, it must continue to focus on professional development of SAIs through its advocacy and capacity-development initiatives for supporting SAIs in enhancing their independence and legal framework and in strengthening their institutional performance. As mentioned earlier, regularly using SAI PMF, iCATs and other assessment tools will help SAIs in tracking their progress. While any such use has to be voluntary, ensuring the quality of the results of such an exercise is key.

Figure 6: Framework for professional development of SAIs



## Why is Professional Development important in INTOSAI?

INTOSAI and its partners have been carrying out capacity-development and knowledge-sharing activities in the community for a number of years. A question may naturally arise why professional development, as described through the various concepts earlier on, is important.

This section thus highlights the importance and need for considering a professional development initiative at an INTOSAI level.

**1. INTOSAI brand for public sector external audit professional** – With the adoption of the ISSAIs as globally recognised auditing standards for the public sector, INTOSAI has taken the first step towards becoming a professional standard setter. This is a remarkable achievement and for the first time INTOSAI has a global set of standards for the public sector audit profession that can enhance the credibility, uniformity and quality of what is being done in the profession. The ISSAIs require a clear definition of public sector external audit professionals who will implement audit practices as per the requirements of the standards. The ISSAIs talk of professional competence and professional judgement in the application of standards. INTOSAI needs to define these competencies clearly. Critical questions such as what does a financial, performance and compliance auditor in the public sector look like and what are the set of competencies that this individual must display, must be answered in the context of ISSAI implementation. These questions cannot be answered unless INTOSAI defines a competency framework, which is one of the first elements of the certification framework.

Given the current environment, the question is not so much if there will be professional development through certification programmes for public sector auditors but rather the extent to which INTOSAI wants to lead and have a say in what is included in such programmes and how this is taken forward. If INTOSAI decides not to get involved in certification, it is expected that a number of other providers will be offering public sector audit certifications in due course (in addition to the IDI who will continue its work) on a profit-generating basis without the involvement of INTOSAI. While it may be good to look at several mechanisms for certification programmes for SAI staff, it would be valuable for INTOSAI to be involved in the process and to also offer INTOSAI certification through the INTOSAI system. INTOSAI is the standard setter for the public sector audit profession and for SAIs to professionalise, certification should also be designed and governed by INTOSAI. Just as INTOSAI has created a brand for itself in terms of its own standards, namely the ISSAIs, INTOSAI now has the opportunity to create an equally strong brand for a public sector audit qualification.

**2. Support for ISSAI implementation** – At the INCOSAI in 2013, INTOSAI adopted level 3 of the ISSAI framework. While asserting the purpose and authority of the ISSAIs, ISSAI 100 requires SAIs to fully comply with ISSAIs in order to refer to them in audit reports. As SAIs consider ISSAI implementation, there is a growing demand for professional development based on the ISSAIs as the applicable standards. The results of the first round of the ISSAI certification programmes of the IDI show a huge gap in the understanding of ISSAI requirements at a SAI level and a large demand for sustained professional

support to enable auditors at a SAI level to interpret ISSAI requirements in the context of their environments.

The ISSAI certification programmes offered by the IDI also need to be enhanced in terms of putting in place all elements of the certification framework, necessary quality assurance mechanisms for the products developed, and a comprehensive and independent oversight and approval mechanism at an INTOSAI level. Moreover, such programmes cannot be one-off events that cover a limited pool of people at a SAI level. What is required is a regular professional development programme that creates a critical mass of professionally qualified people who can implement professional practices as envisaged by the ISSAIs.

Besides the IDI, regional and sub-regional bodies are also engaged in supporting ISSAI implementation. While recognising these efforts towards professional development, there is a need to determine how these efforts can be harmonised so that while providing for regional and national variations, the community still works within a common framework. INTOSAI certification would help coordinate the efforts of different players working for capacity development and professionalisation of SAIs.

At the same time, the standards will only serve their purpose if they are successfully implemented in the SAI community. This is a challenge, as they are complex, ambitious and require not only professionalisation of SAI staff, but also changes in organisational structures and the way SAIs approach their work.

**3. Address unique public sector needs and challenges** – Most of the professional development opportunities offered, centre around financial audit. However, SAIs as public sector external audit institutions have a much larger mandate for ensuring accountability. This mandate covers not only assurance on the fair presentation of financial statements, but also an examination of the levels of compliance with applicable rules and regulations and – more importantly – an examination of the economy, efficiency and effectiveness of government operations. As such, there is a need to develop a competency framework and a qualification that take into consideration this wider profile of public sector audit professionals.

Of the 193 SAIs in the INTOSAI community, about 144 are located in developing countries. Feedback from some of these SAIs shows that their staff often struggle to complete professional qualifications. They also find existing programmes expensive. Moreover, due to the big difference in salaries in the private sector and the SAIs, many of the SAI staff leave the SAIs on successfully completing professional qualification programmes offered by professional bodies. There is a need to offer professional development through certification programmes that are relevant to the current level of SAI maturity and are affordable for most SAIs in the community.

**4. Economies of scale and in-kind contributions** – Besides being necessary on many counts, a professional development initiative at an INTOSAI level will bring tremendous economies of scale and

reduce duplication of efforts. An INTOSAI-level professional development initiative will allow for INTOSAI's scarce resources to be pooled and avoid competing demands for funding from different bodies within INTOSAI. By making the most of in-kind contributions provided by INTOSAI members and using blended solutions, it is possible to design a cost-effective solution that is accessible to all member SAIs.

## 5. Demand for professional development in INTOSAI and lessons learned from current practices – Lessons learned from current professional development practices both within and outside the INTOSAI community also show the demand and need of INTOSAI certification.

- a. Professional accountancy bodies use both certification and accreditation processes for professional development. A professional accountancy body such as the International Federation of Accountants (IFAC) sets educational standards and leaves the certification and accreditation processes to its member organisations. The Chartered Institute of Public Finance and Accountancy, on the other hand, centralises its certification process and only has accredited training providers to design and deliver the syllabus. In all cases there is a competency framework defined for the qualification, a system of evaluation, recognition of prior learning and experience through a system of exemptions, and a requirement for CPE to maintain the qualification. None of the current programmes offered by professional accountancy bodies provide for a fully fledged qualification in public sector auditing as defined by ISSAI 100. While there are many certification options available for financial audit, there are none for performance and compliance audit. Moreover, most SAIs have financial audit mandates that involve a comprehensive examination of compliance issues. Such combinations and public sector specific examinations are not provided for in the current set of available qualifications.
- b. In the case of INTOSAI bodies and INTOSAI regions, the IDI delivers a number of certification programmes on a variety of topics, including train-the-trainer, ISSAI certification programme, certification of specialist in public debt, management development and information technology audit. These programmes include a detailed syllabus, structured design, development and delivery of training, and evaluation of knowledge and skills. However, a competency framework for public sector auditors, CPE mechanisms and mechanisms for recognising prior learning and experience through a system of exemptions are some of the elements of the certification process that are yet to be put into place. The IDI has also experienced tremendous demand from SAIs and other stakeholders to deliver its certification programmes regularly to create critical masses of certified individuals to contribute to the capacity of SAIs. ***In the recently concluded IDI global survey, 90 SAIs across the INTOSAI regions have prioritised certification programmes by the IDI. The ISSAI implementation programme is the top priority for most SAIs in all regions.***
- c. Three INTOSAI regions have also explored regional professional development solutions. While the Organization of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) and the Pacific Association of Supreme Audit Institutions (PASAI) reported that they had not achieved much success at the regional level, the African Organization of Supreme Audit Institutions in

English-speaking Africa (AFROSAI-E) has just embarked on an ambitious professionalisation initiative. The African Organization of Supreme Audit Institutions (AFROSAI) and AFROSAI-E have professionalisation very high on their strategic priorities. In almost all regions, ISSAI implementation and high-quality audit performance is the top priority in the regional strategic plans.

- d. While the ISSAI Implementation Initiative (3i) programme is being delivered in all the regions, the need for capacity development on a regular basis has been expressed. Moreover, the biggest need identified through the delivery of the 3i programme so far is for a critical mass of professionally qualified persons who understand and can implement ISSAIs, taking into consideration the unique nature of public sector auditing practised by SAIs. Three INTOSAI regions have also explored regional development solutions. While OLACEFS and PASAI reported that they have not achieved much success at regional level, AFROSAI-E has just embarked on an ambitious professionalisation drive.

OLACEFS reported that they undertook an auditor certification project based on the premise that Latin American SAIs had special characteristics that rendered a regional certification process necessary. However, discussions within OLACEFS' CBC and the final report produced by the consultants from the Mexican Institute of Internal Auditors failed to identify any region-specific needs. The study's conclusions reinforced the view that efforts to develop regional versions of global products, or otherwise work in isolation from the broader INTOSAI community, are generally unnecessary and potentially counterproductive. Discussions revealed underlying perceptions among OLACEFS members about the limitations of existing certification processes. The first two objections to existing certifications awarded by private institutions relate to access. Auditors from OLACEFS complained about the high cost of certification, including exam fees and preparation materials, which they consider a barrier for professionals from developing countries. In addition, they believe that the exams are inordinately difficult, leading to rates of approval for Latin American auditors to be extremely low. The language barrier for auditors whose native language is not English contributes a lot to this difficulty. OLACEFS believes that these perceived limitations can undoubtedly be overcome by an INTOSAI certification.

- e. Some SAIs have their own professional development arrangements; for example, the SAI of South Africa partners with the South African Institute for Chartered Accountants (an IFAC member) and the Public Accountants' and Auditors' Board (later the Independent Regulatory Board for Auditors) to run a programme to qualify professional auditors in the public sector external audit environment. This programme requires the attainment of a four-year post-graduate level qualification in accounting and auditing; the completion of a structured, practical workplace training programme over three years; and the passing of a final independent professional qualification examination. However, most SAIs in the community lack the resources to put in place a comprehensive and structured professional development practice that is also aligned to the ISSAIs. This is why there is a large demand for certification from SAIs. As discussed earlier, there are also economies of scale in offering certification on an INTOSAI basis. Of course,

this does not take away from the unique country-specific issues on which the SAI will have to train its staff.

### **Mandate and purpose of the white paper**

INTOSAI bodies are responding to the call for the professional development of SAIs and SAI staff. Initiatives include the efforts of the PSC to develop a sustainable solution for standard setting, efforts of regional and sub-regional bodies such as OLACEFS and AFROSAI-E who have initiated work on developing strategies for professionalisation, and through the development and delivery of the 3i and the ISSAI certification programmes through the IDI. Many SAIs have also pursued the professionalisation agenda through enrolling staff members in certification programmes provided outside INTOSAI, or by working with external service providers to establish SAI-tailored certification programmes.

Dialogue has been ongoing among key partners in INTOSAI (including the PSC, CBC, KSC, FAC, INTOSAI regions and IDI) regarding professional development options for auditors in the INTOSAI community. These discussions cover a multitude of angles on the topic, including the implementation of ISSAIs, capacity development of SAI staff, basic certification options, and even generating possible revenue streams for INTOSAI.

In February 2014, a task group was set up to explore the concept of certification and accreditation in INTOSAI. The group is led by the INTOSAI CBC Chair (SAI of South Africa), and the membership includes the CBC Vice Chair, PSC, KSC, IDI (as lead drafter supported by SAI Sweden), INTOSAI regions (AFROSAI-E, OLACEFS and PASAI), the SAI of the UAE as host of the next INCOSAI as well as the SAIs of China, Austria, Ecuador, Saudi Arabia and the USA.

**Any role proposed for the IDI in this draft white paper is subject to approval of the IDI Board and the availability of adequate resources.**

*The purpose of this paper is the following:*

- *Establish a common understanding among stakeholders of key terms, requirements and processes related to professional development, namely profession, public sector external audit professional, certification and accreditation in the INTOSAI context.*
- *Explore and evaluate different options for such development<sup>2</sup>, and recommend a broad outline solution for professional development for further discussion and decision as a part of INTOSAI's strategic planning process.*

This white paper defines the concepts of profession and professional development widely to include both the individual and the SAI. For now, it focuses mainly on the professional development of the individual through appropriate certification and accreditation mechanisms set up at an INTOSAI level.

---

<sup>2</sup> This section will also deal with the INTOSAI FAC request to consider whether the process of individual or SAI certification will yield any revenue potential for INTOSAI.

Certification at SAI level (based on recent developments such as the PMF and the existing peer review mechanisms) has not been addressed in this document, although it is important to note that the process of strengthening professionalism within INTOSAI will not be complete without further investing in, and consolidating, efforts.

This white paper will serve as input for a number of INTOSAI bodies. It has already served as input to the INTOSAI CBC meeting in Lima, Peru, with a progress report at the FAC meeting in Paris, France during September 2014. It will also serve as input in the work of the TFSP, and require discussion and decision at the November 2014 INTOSAI Governing Board meeting.

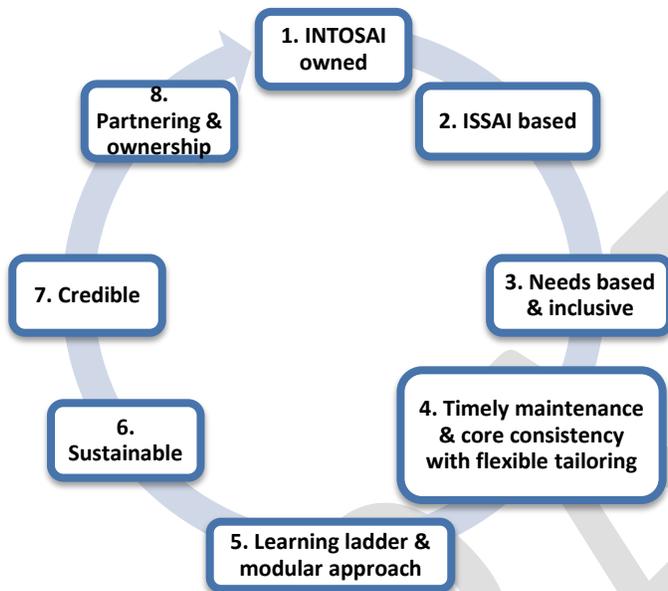
This paper is further aligned to the INTOSAI PSC's work on sustainable solution for standard-setting. The main aim is to present standard-setting and professional development solutions that reflect an integrated approach in terms of proposed structures and direction in moving towards a public sector external audit profession in INTOSAI.

DRAFT

## Chapter 2: Key principles for professional development in INTOSAI

From the discussion in the previous sections of this white paper, it is easy to draw key principles for a professional development solution at an INTOSAI level.

Figure 7: Key principles for an INTOSAI professional development solution



1. **INTOSAI owned** – As the professional standard setter and the international body for SAIs, INTOSAI determines the ‘rules of the game’ for setting up a public sector audit profession. This means that INTOSAI has structures and processes for defining competency frameworks, accrediting service providers and holding its professionals to account. This does not mean that professional development through certification programmes can only be offered by INTOSAI bodies. Eventually there will have to be a wide network of certification and qualification providers both inside and outside INTOSAI. INTOSAI owned means that INTOSAI establishes its brand for professional development and, as in the case of

its standards, INTOSAI asserts when its brand can be used and referred to. INTOSAI certification would anyhow have to be voluntary, and SAIs may of course also opt for other modalities for certification.

2. **ISSAI based** – The solution for an INTOSAI professional qualification is based on the acceptance of the ISSAIs as the applicable set of standards. The solution defines mechanisms for qualification that consider all three audit streams recognised by ISSAIs – financial, performance and compliance audit. The qualification also includes the development of a sound understanding of the public sector financial management environment and institutional level issues at level 2 of the ISSAI framework. Taking into consideration the extensive use of information technology, the qualification also includes the ability to audit in an information technology environment. The solution will further be closely linked to the PSC sustainable solution for strengthening standard setting in INTOSAI.
3. **Needs based and inclusive** – The solution is based on the needs of SAIs and specific requirements for professionals operating in the public sector audit profession. It is relevant to SAIs across the models under which they operate; for example, the Westminster system, court model or board model. While respecting the need for providing education and training in the

mother tongue, at an INTOSAI level efforts focus on offering the solution in at least four languages that are widely used in INTOSAI regions, namely Arabic, English, French and Spanish. The solution provides for an eventual accreditation mechanism for regions, SAIs and professional organisations to deliver the INTOSAI public sector external audit professional qualification. In order to be inclusive, the solution must be affordable for SAIs. It should not leave out SAIs that may not be able to pay the full cost of the certification. The issue of subsidy and support will have to be discussed while working out the details of the resourcing model for the proposed solution.

4. **Learning ladder and modular approach** – Considering the current levels of capacities in most SAIs in INTOSAI, there is a need to offer levels of certification, starting with a basic practitioner level and gradually building up to a fully fledged professional qualification. A modular approach covering different aspects of a competency framework can provide a learning ladder or a maturity model that takes care of individual learners with different needs and at different levels of maturity.
5. **Timely maintenance and core consistency with flexible tailoring** – The development and approval mechanisms for the solution allow for the timely updating and maintenance of content. The INTOSAI Governing Board, as the oversight body, annually approves the regular updating and maintenance of products. While the competency framework at an INTOSAI level defines core competencies that are consistent across SAIs (based on those competencies needed for implementation of ISSAIs), each SAI and region can build on these competencies by tailoring additional components suitable for their specific needs and mandates.
6. **Sustainable** – The solution defines a resourcing model that provides for financial sustainability as well as adequate and professional human resources and managerial competencies for running operations on a regular basis. The SAIs that are the main clients of the solution must find the solution affordable and must be able to benefit from the system in the long run. To be sustainable, the solution must identify sources for seed money and an appropriate cost-recovery model.
7. **Credible** – The solution ensures proper separation of roles and responsibilities between the oversight, approval, and development and delivery mechanisms. Necessary neutrality and independence of functions, such as accreditation and examination, are ensured to avoid conflict of interest.

The solution reflects all necessary elements of the certification framework. Mechanisms for developing, approving and providing oversight for a competency framework for public sector audit professionals, syllabus, development and delivery mechanisms for initial professional development, evaluation, CPE and accountability mechanisms are defined. Furthermore, a due process is defined for all elements of the certification framework. A quality assurance

mechanism is provided for in the development and maintenance of each element in the framework.

As defined in the professional development framework, the solution considers different means of gaining initial competence, including practical work experience. The proposed solution is recognised as high quality by other professional bodies and stakeholders of INTOSAI and other peers. The professional qualification provided through the certification process is accepted and recognised by peers.

8. **Partnering and ownership** – The solution is structured as a wide-based partnership of key stakeholders, including INTOSAI bodies and regions, professional bodies and SAIs. Ownership and commitment from the SAIs as main beneficiaries of the solution is key. Even as certification and accreditation mechanisms are set up at an INTOSAI level, the SAI leadership needs to commit to implementing systems for recognising and supporting qualified professionals at a SAI level.

DRAFT

## Chapter 3: Professional development options and recommendation

The task group considered the components of certification, the needs of accreditation and the principles for INTOSAI certification. Based on these, task group members discussed five options when they met in Oslo in August 2014. These options cover the entire certification framework and discuss the structures and the processes that could be put in place to implement the certification framework for an INTOSAI certification.

In examining the five options, the task group also considered whether certification could generate revenue streams for INTOSAI. The task group believes that it may be too early to think about revenue streams. At this stage, it is more important to develop a resourcing model that provides for initial investment and long-term financial sustainability. Moreover, considering the profile of the beneficiaries, any fee structure will need to be developed in a way that is affordable for all SAIs (144 SAIs are in developing countries). As such, even in the long run, it may be better to work on a service delivery model with cost recovery to ensure long-term financial sustainability, rather than a business model generating revenue streams.

The table below gives an overview of the five options for professional development through certification.

<p><b>Option A: Maintain status quo</b></p> <p>INTOSAI does not attempt to set up an INTOSAI certification and accreditation mechanism for professional development of individuals. Individual professional development options continue to be provided by bodies within INTOSAI, namely the IDI, regions and SAIs, and providers outside INTOSAI, namely professional accountancy organisations.</p>
<p><b>Option B – INTOSAI global profession</b></p> <p>INTOSAI establishes a professional development programme through a certification programme or programmes offered by its own bodies. While the INTOSAI Governing Board and a possible future permanent committee on professional matters<sup>3</sup> play oversight and approval roles, the functions of the certification programme (including the syllabus, design and delivery of professional development options, examination and certification) are carried out by the IDI working with panels of experts nominated from regions, SAIs and other professional bodies as per predetermined criteria. All elements of the certification framework are centralised at an INTOSAI level.</p>
<p><b>Option C – Global profession, local solutions (with piloting)</b></p> <p>INTOSAI defines a competency framework and syllabus for professional development under the oversight and after the approval of the INTOSAI Governing Board and a possible future permanent committee for professional matters. The IDI, which is INTOSAI's implementing body, pilots a certification programme for professional development in partnership with INTOSAI regions, SAIs and other professional bodies.</p> <p>Based on the lessons learned from the pilot, INTOSAI enhances its own certification programme delivered through the IDI, and offers it on a regular basis to individuals from SAIs. INTOSAI also sets up an accreditation mechanism</p>

<sup>3</sup> It is assumed that a permanent committee on professional matters may be set up as suggested in the PSC sustainable solution. Even if such a body is not set up, INTOSAI certification requires an integrated approach between the INTOSAI PSC, CBC, KSC and FAC.

for accrediting INTOSAI regions and sub-regions, individual SAIs and other professional bodies as accredited certification providers. A support mechanism is also set up to advise individual SAIs and regions in setting up their own professional development programmes. SAIs will be required to provide the necessary commitment for recognising a professional qualification received through a certification programme at an INTOSAI level. Under this option, INTOSAI could either actively seek such providers based on the demand for certification or set up a mechanism for interested providers to apply and for the processing of such applications.

#### **Option D – Global profession, local solutions (without piloting)**

This option is the same as option C, with a very important difference. This option does not provide for piloting the solution. Under this option, INTOSAI will directly adopt and implement the solution without a piloting phase to test the solution first.

#### **Option E – Outsourced model**

All certification processes are outsourced to service providers within and outside INTOSAI. This includes defining a competency framework, the syllabus, design and delivery of professional development, examination and certification. INTOSAI sets up an accrediting mechanism for accredited certification providers. INTOSAI does not provide any professional development through certification programmes of its own at an INTOSAI level.

Annexe A contains details of the comparison carried out by the task group for each element of the certification and accreditation process as well as a detailed discussion on the pros and cons of each option.

In discussing these options in detail, four key questions finally guided the discussion:

- 1. *Is it an option for INTOSAI to maintain the status quo and not do anything about certification?***
- 2. *Can a global solution alone work across a wide variety of SAIs across the INTOSAI regions? Will such a non-flexible solution be acceptable to INTOSAI membership?***
- 3. *Can INTOSAI outsource its own certification process completely?***
- 4. *Would it be wise to adopt a solution without testing it first?***

**The answer to all these questions was ‘NO’.** This left the task group with a general acceptance of the global profession, local solutions (with piloting) option.

Besides these four key questions, the task group was also faced with a number of other questions, such as: What does the competency framework look like? What topics will be covered under the syllabus? How much will the certification programme cost? How will it be delivered? Will there be separate competency frameworks for financial, performance and compliance audit? What kind of partnerships will be established with other professional bodies? Will INTOSAI-level certification be feasible? Some members felt that it is important to answer these questions before deciding on any one option. As such, all members agreed that it was important that a competency framework for INTOSAI certification be

developed and that a detailed pilot be carried out to test INTOSAI certification before INCOSAI formally adopts an INTOSAI certification solution.

The task group therefore recommends the course of action outlined in the following table for the development of the competency framework and piloting of the certification programme:

Timeline	Area	Action	Responsibility
2015 - 2016	<b>Research, design, development and delivery</b>	1. Research and develop competency framework and syllabus	IDI and partners, including INTOSAI bodies and regions as well as other professional bodies
2017 - 2024		2. Research and develop certification programme and delivery mechanisms	
2024		3. Design exemption systems	
2017 - 2024		4. Design and deploy evaluation system	
2017 - 2024		5. Set up CPE mechanism	
2024		6. Design criteria for selection of training providers	
2024		7. Design mechanism for accrediting other providers	
2025		8. Document lessons learned from the pilot and develop a revised model	
As per timelines from 2015		<b>Quality assurance</b>	
As per timelines from 2017	10. Quality assurance of the evaluation set-up		Panel of professional development experts
Annual basis from 2015	<b>Approval</b>	11. Appoint panel of professional education experts	Joint committee of the PSC, CBC, KSC and FAC
Annual basis from 2015		12. Approve entire framework for piloting	
2024		13. Approve accreditation system	
2025		14. Approve revised model	
INTOSAI Governing Board on annual basis; INCOSAI in 2016 and 2025	<b>Oversight</b>	15. Final approval and oversight of the pilot and the revised model	INTOSAI Governing Board and INCOSAI

In the pilot phase, the IDI (as INTOSAI’s implementing body) in partnership with INTOSAI regions, professional bodies and SAIs will develop a pilot version of a competency framework, syllabus and certification programme for professional development. The pilot version will be developed in English and translated in three other INTOSAI languages – Arabic, French and Spanish. Each element of the pilot version will be quality assured by a panel of professional development experts. The panel, consisting of 10 to 12 experts, will be established in consultation with the PSC, CBC and KSC. The panel will meet virtually or face-to-face as required. The competency framework will also be exposed to comments by

the INTOSAI membership before it is considered by the panel of experts. A due process will be developed to ensure accountability, transparency and inclusiveness in the design, development and delivery of the competency framework and the pilot certification programme. Each element developed as a part of the pilot i.e. the competency framework, the syllabus, the certification programme will be separately submitted for approval of the joint committee of the PSC, CBC, KSC and FAC. On receiving approval from the committee and the INTOSAI Governing Board, the pilot version will be endorsed at INCOSAI.

From 2017 to 2024, the pilot version will be rolled out in Arabic, French, English and Spanish, as these languages are widely used in the INTOSAI regions. The delivery mechanisms will provide for e-learning interventions, face-to-face workshops and practical work experience at a SAI level. The pilot run will test all elements of the competency framework. Lessons learned from piloting each element of the framework and feedback from individuals, SAIs, regions and professional bodies will be documented, and a modified model will be developed. After the changes are quality assured by a panel of professional development experts set up by the permanent committee based on predetermined criteria, the revised model will be developed, exposed for comments and then submitted for approval by the joint committee and the INTOSAI Governing Board. The revised model will be endorsed at INCOSAI 2025.

During the pilot phase, the necessary structures, systems and partnerships to support the pilot run will also have to be put in place. A due process will need to be defined. A feasibility study will furthermore be carried out as a part of the pilot. This involves establishing a wide framework of partnerships between the IDI, INTOSAI regions, SAIs and professional bodies; establishing mechanisms for approval at PSC, CBC and KSC level; setting up a panel of professional development experts; setting up a professional development secretariat at the IDI; determining the cost-recovery structure; seeking support from stakeholders including donors; and most importantly, seeking the necessary commitment from SAIs for the appropriate recognition of the INTOSAI qualification at a SAI level.

## Annexe A – Professional development options

The table below compares five different options for professional development.

Area	Tasks and responsibilities	Option A Maintain status quo	Option B INTOSAI global profession	Option C INTOSAI global profession, local solutions (with piloting)  Pilot, test run	Option C INTOSAI global profession, local solutions (with piloting)  Regular roll-out	Option D INTOSAI global profession, local solutions (without piloting)	Option E Outsourced model
<b>Research, design, development and delivery</b>	1. Research and develop competency framework and syllabus	Anyone Uneven, inconsistent coverage	IDI & partners <sup>4</sup>	IDI & partners	IDI & partners	IDI & partners	Accredited providers
	2. Research and develop certification programme and delivery mechanisms	Anyone Uneven, inconsistent coverage	IDI & partners	IDI & partners	Accredited providers	Accredited providers	Accredited providers
	3. Design exemption systems	Anyone Uneven, inconsistent coverage	IDI & partners	IDI & partners	Accredited providers	Accredited providers	Accredited providers
	4. Design and deploy evaluation system	Anyone Uneven, inconsistent coverage	IDI & partners	IDI & partners	Accredited providers	Accredited providers	Accredited providers
	5. Set up CPE mechanism	Anyone Uneven, inconsistent coverage	IDI & partners	IDI & partners	Accredited providers	Accredited providers	Accredited providers
	6. Design criteria for selection and use other service provider training	Anyone Uneven, inconsistent coverage	IDI & partners	IDI & partners (only design)	Joint committee of the PSC, CBC, KSC & FAC	Joint committee of the PSC, CBC, KSC & FAC	Joint committee of the PSC, CBC, KSC & FAC
	7. Design and implement mechanism for accrediting other providers	Anyone Uneven, inconsistent coverage	X	IDI & Partners (only design)	Joint committee of the PSC, CBC, KSC & FAC	Joint committee of the PSC, CBC, KSC & FAC	Joint committee of the PSC, CBC, KSC & FAC

<sup>4</sup> IDI & partners include INTOSAI bodies, regions and other professional bodies.

Area	Tasks and responsibilities	Option A Maintain status quo	Option B INTOSAI global profession	Option C INTOSAI global profession, local solutions (with piloting)  Pilot, test run	Option C INTOSAI global profession, local solutions (with piloting)  Regular roll-out	Option D INTOSAI global profession, local solutions (without piloting)	Option E Outsourced model
	8. Document lessons learned from the pilot and develop a revised model	X	X	IDI & partners	X	X	X
	9. Advice to regions and SAs on setting up certification programmes	Uneven, inconsistent coverage	X	IDI & partners	IDI & partners	IDI & partners	Accredited service provider
<b>Quality assurance</b>	10. Quality assurance of the entire framework	Anyone	Panel of professional development experts <sup>5</sup>	Panel of professional development experts	Panel of professional development experts	Panel of professional development experts	Panel of professional development experts
	11. Quality assurance of the evaluation set-up	Uneven, inconsistent coverage	Panel of professional development experts	Panel of professional development experts	Panel of professional development experts	Panel of professional development experts	Panel of professional development experts
<b>Approval</b>	12. Appoint panel of professional education experts	Not applicable	Joint committee of the PSC, CBC, KSC & FAC <sup>6</sup>	Joint committee of the PSC, CBC, KSC & FAC	Joint committee of the PSC, CBC, KSC & FAC	Joint committee of the PSC, CBC, KSC & FAC	Joint committee of the PSC, CBC, KSC & FAC
	13. Approve entire framework	As per the service providers' practice	Joint committee of the PSC, CBC, KSC & FAC	Joint committee of the PSC, CBC, KSC & FAC	Joint committee of the PSC, CBC, KSC & FAC	Joint committee of the PSC, CBC, KSC & FAC	Joint committee of the PSC, CBC, KSC & FAC
	14. Approve accreditation system	As per the service providers' practice	X	Joint committee of the PSC, CBC, KSC & FAC	Joint committee of the PSC, CBC, KSC & FAC	Joint committee of the PSC, CBC, KSC & FAC	Joint committee of the PSC, CBC, KSC & FAC
	15. Approve revised model	Not applicable	X	Joint committee of the PSC, CBC, KSC & FAC	X	X	X
<b>Oversight</b>	16. Final approval and oversight of the pilot and the revised model	Not applicable	INTOSAI Governing Board & INCOSAI	INTOSAI Governing Board & INCOSAI	INTOSAI Governing Board & INCOSAI	INTOSAI Governing Board & INCOSAI	INTOSAI Governing Board & INCOSAI

<sup>5</sup> The panel of professional development experts is an ad hoc panel of experts to be set up as per criteria set by the joint committee.

<sup>6</sup> The joint committee is proposed as a solution pending a decision on the suggested permanent committee on professional matters.

### **Option A: Maintain status quo**

As the name suggests, INTOSAI will maintain the current status. This implies that, as is currently the case, professional development of individuals will be left to individual efforts of INTOSAI bodies such as the IDI and INTOSAI regions as well as SAIs under their specific brand names. SAIs may also continue to make their own arrangements for professional development, including through non-INTOSAI providers. If INTOSAI decides to maintain the status quo, it is not necessary to look at a resourcing model. Choosing this model also implies that INTOSAI decides not to move towards creating a public sector external audit profession, does not have a say in determining how professional development is carried out in the community, and has no right to any revenue streams that may eventually be created through certification programmes. More importantly, choosing this option also implies that there will be no common core consistency framework based on ISSAIs that defines a public sector external audit professional.

### **Option B: INTOSAI global profession**

This option presents a centralised professional development model at an INTOSAI level. Under this model, a competency framework, syllabus and certification programme for professional development will be developed by the IDI (as INTOSAI's implementing body) in partnership with regions, professional bodies and SAIs. Each element of the framework will be quality assured by a panel of professional development experts. The panel, consisting of 10 to 12 experts, will be established by the permanent committee on professional matters. Experts will be appointed to the panel based on predetermined criteria. The panel will meet virtually or face-to-face as required. Due process will be followed and the products at each stage will be approved by the permanent committee based on the recommendations of the expert panel. The INTOSAI Governing Board will give the final approval and oversee the entire process. The Governing Board will decide if a matter needs to be raised to INCOSAI or if they can take the decision on their own. A professional development secretariat consisting of about six to eight persons will be gradually set up under the IDI umbrella to support professional development through a certification programme at an INTOSAI level.

The INTOSAI regions, SAIs and other professional bodies will be free to pursue their own professional development solutions. However, INTOSAI will not set up any mechanism for recognising or supporting such efforts. All INTOSAI efforts will be concentrated on creating a global professional development solution at an INTOSAI level through its own bodies.

If INTOSAI chooses such a centralised option, it will have greater control over the quality and decision-making processes related to certification. This option will also not require the setting up of an accreditation mechanism, which will reduce the resources required by INTOSAI. While such a solution would help INTOSAI in establishing its brand of professional development, it would not consider specific needs at regional or SAI level. This centralised effort will also make INTOSAI one of the many providers of professional development, without any role to play in the professional development efforts of regional bodies, SAIs and other professional bodies. Even though INTOSAI at its own level recognises a core

competency framework, other providers will be free to determine different competency frameworks and syllabuses in the absence of an accreditation mechanism. As the certification programme develops, INTOSAI will find it difficult to meet the volume of demand it is likely to receive from member SAIs, especially in developing countries.

### **Option C: Global profession, local solutions (with piloting)**

This option provides a combination of global profession, local solutions and pilot testing of the solution before full implementation. Under this model, the solution will be set up in three phases:

**1. Pilot phase (2015-2025)** – In the pilot phase, the IDI (as INTOSAI’s implementing body) in partnership with INTOSAI regions, professional bodies and SAIs will develop a pilot version of a competency framework, syllabus and certification programme for professional development. The pilot version will be developed in English and translated in three other INTOSAI languages – Arabic, French and Spanish. Each element of the pilot version will be quality assured by a panel of professional development experts. The panel, consisting of 10 to 12 experts, will be established in consultation with the PSC, CBC and KSC. The panel will meet virtually or face-to-face as required. The competency framework will also be exposed to comments by the INTOSAI membership before it is considered by the panel of experts. A due process will be developed to ensure accountability, transparency and inclusiveness in the design, development and delivery of the competency framework and the pilot certification programme. Each element developed as a part of the pilot i.e. the competency framework, the syllabus, the certification programme will be separately submitted for approval of the joint committee of the PSC, CBC, KSC and FAC. On receiving approval from the committee and the INTOSAI Governing Board, the pilot version will be endorsed at INCOSAI.

From 2017 to 2024, the pilot version will be rolled out in Arabic, French, English and Spanish, as these languages are widely used in the INTOSAI regions. The delivery mechanisms will provide for e-learning interventions, face-to-face workshops and practical work experience at a SAI level. The pilot run will test all elements of the competency framework. Lessons learned from piloting each element of the framework and feedback from individuals, SAIs, regions and professional bodies will be documented, and a modified model will be developed. After the changes are quality assured by a panel of professional development experts set up by the permanent committee based on predetermined criteria, the revised model will be developed, exposed for comments and then submitted for approval by the joint committee and the INTOSAI Governing Board. The revised model will be endorsed at INCOSAI 2025.

During the pilot phase, the necessary structures, systems and partnerships to support the pilot run will also have to be put in place. A due process will need to be defined. A feasibility study will furthermore be carried out as a part of the pilot. This involves establishing a wide framework of partnerships between the IDI, INTOSAI regions, SAIs and professional bodies; establishing mechanisms for approval at PSC, CBC and KSC level; setting up a panel of professional development experts; setting up a professional development secretariat at the IDI; determining

the cost-recovery structure; seeking support from stakeholders including donors; and most importantly, seeking the necessary commitment from SAIs for the appropriate recognition of the INTOSAI qualification at a SAI level.

**2.Setting up the accreditation mechanism (2020-2025)** – After endorsement by INCOSAI 2025, the global certification programme will be delivered on an annual basis. A regular maintenance and updating schedule for the different elements of the programme will also be identified. The joint committee, with the support of the professional development secretariat, will then set up a mechanism for recognising and accrediting other bodies, such as INTOSAI regions, SAIs and professional bodies, to deliver certification programmes for professional development. The professional development secretariat will be expanded to about 10 to 12 persons to manage this additional work. The secretariat will also provide advice to interested SAIs and regions for setting up local solutions for professional development. The accreditation mechanism and criteria developed after following broad-based stakeholder consultation and quality assurance processes, will be approved by the INTOSAI Governing Board and endorsed by INCOSAI 2025.

**3.Global profession, local solutions (2026 onwards)** – By 2026, INTOSAI is expected to have in place a professional development model that produces public sector external audit professionals duly recognised by all stakeholders as well as a system of recognising and supporting local solutions based on a common understanding of the requirements of a public sector external audit profession.

This option meets most of the needs and principles for a professional development solution listed in the previous chapters. However, this option will have more resource requirements to begin with in terms of running the professional development secretariat, the global certification programme and the accreditation mechanism. Suitable cost-recovery mechanisms will have to be identified to ensure that these mechanisms are self sustaining in the long run.

#### **Option D: Global profession, local solutions (without piloting)**

This is the same as option C but without the piloting and testing provision. As such, the accreditation mechanism will be set up immediately after the competency framework has been identified. The different elements in the certification framework will then be designed, developed and delivered by accredited providers within and outside INTOSAI.

#### **Option E: Outsourced model**

Under this option, INTOSAI will define a competency framework and syllabus for certification. The competency framework and syllabus will be developed by the IDI in partnership with INTOSAI bodies, SAIs, INTOSAI regions and professional bodies. The competency framework and syllabus will be approved by the joint committee after quality assurance by a panel of experts. The joint committee will also define an accreditation

mechanism. The committee will accredit certification providers, namely INTOSAI bodies and regions, SAIs and other professional bodies, to develop and deliver initial professional development, conduct evaluations and provide for CPE.

In this outsourced model, INTOSAI will mainly play an accreditation role and all certification will be outsourced to accredited certification providers. In this case, INTOSAI will need to have appropriate mechanisms to quality assure the certification programmes and ensure that the principles of INTOSAI certification are being followed.

The outsourced option requires fewer resources from INTOSAI in terms of piloting and delivering its own certification programme. It also provides for a competency framework and syllabus that will become the basis of accreditation. It further provides recognition and flexibility for those INTOSAI regions, SAIs and professional bodies that are able to conduct certification programmes on their own. However, given the current level of maturity, it is doubtful that this model provides affordable professional development for all SAIs in the INTOSAI community. This model also does not provide a viable option for SAIs and regions that do not have the capacity to devise their own certification programme. Moreover, it is uncertain if professional bodies will be able to develop and deliver certification that meets unique public sector needs, such as performance and compliance audit as well as a public sector perspective on implementing financial audit standards.

The table below matches each option with the seven principles of professional development.

Principles	Option A Maintain status quo	Option B INTOSAI global profession	Option C Global profession, local solutions (with piloting)	Option D Global profession, local solutions (without piloting)	Option E Outsourced model
INTOSAI owned	X	✓	✓	✓	X
ISSAI based	X	✓	✓	✓	X
Needs based and inclusive	X	✓	✓	?	?
Timely maintenance and flexibility	X	X	✓	✓	✓
Sustainable	X	?	✓	✓	✓
Credible	X	✓	✓	✓	✓
Learning ladder and modular approach	X	✓	✓	?	?
Partnering and ownership	X	✓	✓	?	?

DRAFT