

INTOSAI



INTERNATIONAL ORGANIZATION OF SUPREME AUDIT INSTITUTIONS
ORGANISATION INTERNATIONALE DES INSTITUTIONS
SUPÉRIEURES DE CONTRÔLE DES FINANCES PUBLIQUES
INTERNATIONALE ORGANISATION DER
OBERSTEN RECHNUNGSKONTROLLBEHÖRDEN
ORGANIZACIÓN INTERNACIONAL DE LAS
ENTIDADES FISCALIZADORAS SUPERIORES
المنظمة الدولية للاجهزة العليا للرقابة والمحاسبة

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**Task Group on
INTOSAI certification of auditors**

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1. Background

In April 2014 the SAI of South Africa, a member of the INTOSAI Finance and Administration Committee (FAC) and Chair of the INTOSAI Capacity Building Committee (CBC), agreed with the FAC to lead an investigation into INTOSAI auditor certification and to produce a white paper. In addition of having to honour to support the FAC in examining the potential of certification as an INTOSAI revenue stream, the CBC as the INTOSAI Goal responsible for SAI capacity development, welcomed the opportunity to act upon its stated intent of exploring opportunities and encouraging initiatives for the certification and accreditation of auditors.

Under the FAC, a white paper task group (WPTG) consisting of interested FAC members, INTOSAI regions able to participate, the INTOSAI Professional Standards Committee (PSC), the Knowledge Sharing Committee (KSC) and the host SAI of INCOSAI 2016, was established to develop the white paper. During its first teleconference, the WPTG developed a plan of action based on the following terms of reference:

- establish a common understanding among stakeholders of key terms, requirements and processes related to professional development, i.e. profession, public sector external audit professional, certification and accreditation in the INTOSAI context; and
- 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.

Having considered inputs from all WPTG members, including additional written inputs by the General Secretariat of INTOSAI – the WPTG undertook to address the pertinent issues raised by the General Secretariat during the development of the white paper.

In terms of the milestones identified in the plan of action, the paper would serve as an input for a number of INTOSAI bodies: It would serve as input towards the CBC meeting in Lima, Peru, and FAC meeting in Paris, France, both planned for September 2014. The white paper would also be used as input towards the work of the INTOSAI Task Force on Strategic Planning (TFSP) at the end of October 2014, and will be reported on at the November 2014 INTOSAI Governing Board meeting. The WPTG also undertook to ensure alignment of the paper with the proposals for a sustainable solution for standard-setting being developed by the PSC and its subcommittees. The internal scan results regarding the INTOSAI community's views on the need for INTOSAI certification would also be taken into account.

2. White Paper on INTOSAI professional development

The first draft of the white paper was distributed to the members of WPTG at the end of July, as planned. On 11 and 12 August the WPTG assembled at the offices of the INTOSAI Development Initiative (IDI) in Oslo to workshop the first draft paper that had been expertly drafted by the IDI in partnership with the SAIs of South Africa and Sweden and with inputs from WPTG members. During the drafting, the title of the paper was updated in order to focus on professional development within INTOSAI in line with the vision of the CBC, while at the same time remaining committed to addressing the questions posed by the FAC.

The white paper set out to achieve at least the following: Firstly to 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. Secondly, to 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. Thirdly, to respond to the question posed by the FAC regarding the revenue generating potential of auditor certification.

The paper also provided a brief overview of the current status of auditor certification and accreditation in INTOSAI in relation to the work of IDI, the regions and sub-regions, the work done at SAI level and work done by other professional bodies, using case studies where possible. The workshop gave rise to very productive discussions with the result that further work on the paper was required. The IDI and SAI of Brazil kindly led the refinement of the paper and expanding the case studies. The work done on the draft white paper by the 2nd week of September, enabled the CBC Chair to report progress to and consult with the annual CBC meeting that took place from 9 to 11 September 2014, as well as the Donor Steering Committee and FAC meetings in Paris on 16-17 September and 18 September, respectively.

Following the Paris meetings, the WPTG was able to affect minor enhancements to the White Paper, and submit it to the Task Force on Strategic Planning as a key contribution to the strategic planning process of INTOSAI, especially given the high percentage of SAIs who, during the internal scan process of the Task Force on Strategic Planning, had indicated a need for INTOSAI to move forward offering formal accreditation/certification for ISSAI's in support of standards development and implementation, continued professional development, and capacity building.

3. Way forward

Given the strong support of the INTOSAI membership, as expressed in their reaction to the internal scanning done by the TFSP, as well as the recent IDI Global survey which confirms the need for INTOSAI to consider opportunities for certification and accreditation, the CBC is of a view that a process of structured, competency-based certification at individual auditor level, and in the longer term perhaps even at SAI level, can only strengthen INTOSAI's role as a professional institution that supports all SAIs in achieving the levels of professionalism that will enable them to make a difference to the lives of citizens.

It is therefore proposed that the Governing Board endorse that –

- 3.1 The Task Group conduct further research on the topic of certification at auditor and SAI level, including wider consultation with different SAI models and relevant external actors.
- 3.2 Develop a core competency framework for public sector auditing and pilot a certification to test INTOSAI certification as per the planned timelines as set out in the White Paper on professional development in INTOSAI.
- 3.3 Monitor developments in the 3i project to identify lessons to be learned on certification.
- 3.4 After consultation, develop a comprehensive formal project proposal on how INTOSAI can take forward the issue of accreditation of public sector auditors for ratification of INCOSAI.

- 3.5 Cooperate with the other INTOSAI goal chairs in strengthening INTOSAI standard setting in relation to the common forum envisaged to deal with the framework for professional standards, and other initiatives aimed at strengthening professional standard setting and standards implementation.
- 3.6 Consolidate efforts for SAI assessments to evaluate institutional structures, processes, and tools in support of increased professionalization of SAIs, e.g. current peer reviews, the iCATs-program, SAI Performance Measurement Framework, and others.

The CBC Chair is also pleased to report to the Governing Board that chairs of the PSC and CBC have started to work together more closely in support of each other and our respective mandates leading up to and following from our respective steering committee meetings in March and September, respectively, and have undertaken to continue to do so given the positive impact that this has had on our work. At the time of this report, the KSC has just completed its Steering Committee and although both the CBC and the PSC had attended the meeting, we have not had as much opportunity strengthen our working relationship, but the KSC Chair has expressed his support for closer working relationships between the goal chairs of INTOSAI. The Chair of the FAC has also given assurance that there are numerous mechanisms and opportunities for all four goal to cooperate at all levels. As several initiatives of the respective goal committees are interlinked, we look forward effective coordination and successful achievement of our respective goals and ambitions.

- 3.7 It is therefore further recommended that, at an appropriate time early in 2015, the four goal chairs meet to explore areas of commonality and possibly a coordination plan for the remainder of the current INTOSAI strategic plan period. The plan will be aimed at setting the direction for collaboration among the committees and ensure a common overview of key activities and will be updated and adjusted in light of progress made.

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