TO: CBC members and observers

DATE: 21 September 2016

RE: Enabling mechanisms required to facilitate and structure professional development at SAI level – a position paper, and

Competency framework for public sector audit professionals at supreme audit institutions

As we proceed towards XXII INCOSAI taking place in Abu Dhabi later this year, I am sure that you are all aware of the two themes for this congress – one dealing with the UN Sustainable Development Goals and one with Professionalization. The theme on professionalization is a topic that is close to the work of the INTOSAI Capacity Building Committee (CBC) and we have worked very closely with the organisers of XXII INCOSAI – the SAI of the United Arab Emirates (UAE) – and the chair for the professionalization theme – SAI New Zealand.

This communiqué deals with two deliverables of the Task Group on INTOSAI Auditor Certification (TGIAC), chaired by the AG of SAI South-Africa in his capacity as chair of the INTOSAI CBC.

Position paper on Enabling Mechanisms

The work of the TGIAC kicked off in 2014 following a request from the INTOSAI Finance and Administration Committee to research the concept of professional development in INTOSAI. A whitepaper on the topic was presented to the INTOSAI Governing Board in Vienna, Austria, during November 2014. A copy of this whitepaper is available on the CBC web-site (www.intosaicbc.org). In considering the way forward on this project the Governing Board requested the TGIAC to conduct more detailed research regarding on the topic, and also to develop a competency framework that can be piloted in the INTOSAI community in the longer term.

In taking on the further research, the task group realised that given the volume of developments in INTOSAI regarding professionalization, it was necessary to define this concept from a CBC point of view and to give structure to all the developments regarding further professionalization. This led to the development of the position paper entitled “The enabling mechanisms required to facilitate and structure professional development at SAI level”. The table on the next page – also contained in the position paper – provides a logical structure to the different developments relating to professionalization in INTOSAI:
### ANALYSIS OF PROFESSIONALISATION DEVELOPMENTS

<table>
<thead>
<tr>
<th>GUIDING FRAMEWORK</th>
<th>LEVEL</th>
<th>MEASUREMENT TOOL</th>
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<tbody>
<tr>
<td>ISSAI 12 as a statement of either a member in good standing OR an aspiration towards appropriate institutional capacity</td>
<td>International level (INTOSAI)</td>
<td>Generically consolidated results from SAI Performance Measurement Framework (SAI PMF) Peer reviews on the application of level 1 and 2 ISSAIs, as well as capacity-building standards (stand-alone or as part of future regional or SAI level assessment tools)</td>
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<tr>
<td>ISSAIs dealing with institutional capacity matters (level 1 and 2) and Professional pronouncements (standards) for auditor competence (as a new section to the ISSAI framework) (*)</td>
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<td>Framework for regional professionalism (CBC) (%) Regional strategic management framework (IDI) (%)</td>
<td>Regional level (INTOSAI regions) Regional measurement tools (*) (%)</td>
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<tr>
<td>ISSAIs dealing with founding principles and prerequisites for the functioning of SAIs Professional pronouncements (standards) on auditor competence*[1] SAI strategic management framework (IDI) (%)</td>
<td>SAI level</td>
<td>SAI Performance Measurement Framework (SAI PMF) (%)</td>
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</table>
Based on the above framework, the position paper proposes a number of key current and future initiatives that will provide the ideal environment for structured, competency-based professional development to take place in INTOSAI. These include the implementation of the SAI PMF, the development of a future set of standards and guidelines on auditor competence, as part of a newly reworked ISSAI framework, the implementation of a framework for regional professionalism, and further developments regarding the newly developed INTOSAI competency-framework for public sector auditors. It recognises the concept of a global profession, local solution which – in essence means that developments at INTOSAI level should focus on confirming the core principles of professional development, while the detail application should happen at regional or SAI level.

Competency framework
In line with the 2014 Governing Board request and as clearly identified as a key enabler in the above framework, the TGIAC also developed a “competency framework for public sector audit professionals at supreme audit institutions”. The Framework spells out a number of key principles that underpinned the development of the proposed INTOSAI competency framework and proceeds to illustrate the principle in terms of a set of competencies that are aimed at addressing the essence of financial, compliance auditing and performance auditing. Again it recognises the concept of a global profession, local solution, pinning the core requirements (as in this framework) as the principled guidance at international level, while the detail tailoring and refinement of this framework in line with regional or SAI uniqueness is left for further work at those levels.

Together, the two documents propose that INTOSAI, during its upcoming XXII INCOSAI:

- **urge** all heads of SAs to fully utilise the SAI PMF as a mechanism to either confirm the extent to which a SAI is developing towards appropriate organisational capability or is actively maintaining this capability, with a view to creating an appropriate and fertile environment for professional development initiatives at SAI and INTOSAI regional level.
- **take note of and support** the newly developed INTOSAI competency framework as a basis for further discussion and refinement of concepts related to professional development.
- **support** the process of further development of professional pronouncements on auditor competence as part of the newly reworked ISSAI framework
- **task** the INTOSAI CBC and the INTOSAI IDI, in consultation with the INTOSAI PSC and the Forum for INTOSAI Professional Pronouncements (FIPP), to give structure to and guide this process of developing professional pronouncements on public sector auditor competence.
- **support** the concept of INTOSAI organs partnering with the broader international accounting and auditing community on work relating to education, training and capacity development.
- **mandate** the appropriate INTOSAI organs to forge suitable relationships with broader international accounting and auditing organisations to enable partnerships on education, training and capacity-development initiatives going forward.
- **support** the adoption of the Framework for Regional Professionalism and encourage its implementation by the INTOSAI regional organisations.
- **encourage** the utilisation of the IDI Regional Framework for Strategic Management as a tool to plan the possible service offerings of INTOSAI regional
- take note of and support the INTOSAI Competency Framework as a basis for further discussion and refinement of concepts related to competency-based professional development

The two documents have been circulated for comment, first to the TGIAC, followed by exposure to the full INTOSAI community. The competency framework, specifically, was also discussed in detail at a workshop of INTOSAI regional organizations in Oslo, hosted by the IDI, where further commentary on the framework was provided. All the comments have been responded to and, where relevant, the documents have been updated. The tracking of comments and responses, as well as a "tracked changes" version of the documents will be available on the CBC web-site soon.

The two documents will feature prominently in the upcoming CBC meeting: Firstly, there will be an opportunity in a dedicated session on the morning of Monday, 3 October, to engage on these documents, while the CBC Steering Committee on Wednesday, 5 October, will asked to support the CBC leadership in taking the two documents to INCOSAI in December 2016 for consideration in line with the proposed resolutions noted above.

Best wishes, and looking forward to seeing you in Cape Town!

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