

# Human Resource Management

## Practical Tools and Checklists



This Guide has been written by members of the Capacity Building Sub-committee 1 chaired by the UK National Audit Office. This Guide is part of a series being produced by the INTOSAI Capacity Building Committee. The series comprises:

- 1 Building capacity in Supreme Audit Institutions: A Guide;
- 2 Introducing professional qualifications for Audit Staff: A guide for Supreme Audit Institutions;
- 3 Peer Review Guide with Peer Review Checklist;
- 4 How to increase the use and impact of audit reports: A guide for Supreme Audit Institutions;
- 5 Human Resource Management: A Guide for Supreme Audit Institutions; and
- 6 Implementing the International Standards for Supreme Audit Institutions (ISSAIs): Strategic considerations.

The guides are being progressively translated and copies of many of the guides are available in Arabic, Chinese, French, German, Portuguese, Russian, and Spanish – see <http://cbc.courdescomptes.ma/>.

Design and Production by NAO Communications  
DG Ref: 009902-001  
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# Human Resource Management

## **Practical Tools and Checklists**

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# Annex 1a: Overview of relevant INTOSAI documents

Here we will insert the complete list of resources.

ISSAIs (see annex 1b)

PACIFIC ASSOCIATION OF SUPREME AUDIT INSTITUTIONS (PASAI)

Human Resources Management Manual

[http://www.pasai.org/site/pasai/files/manuals\\_guidelines/human\\_resources.pdf](http://www.pasai.org/site/pasai/files/manuals_guidelines/human_resources.pdf)

Afrosai – E

Management Skills Course

Human Resources Management

A Handbook for Supreme Audit Institutions 2012

IDI

IDI guide: Learning for Impact: A practice guide for SAIs

CBC

Guide on professional qualifications for audit staff

## Annex 1b: Relevant ISSAIs

### **ISSAI 1 The Lima Declaration**

Relevant sections:

Section 6.3: Independence of the members and officials of SAIs.

Section 7: Financial independence

Section 14.3: theoretical and professional development of staff

Section 14.4: Adequate salaries

Section 14.5: external experts

### **ISSAIs 20 en 21: Principles of transparency and accountability**

Relevant sections:

Principle 4: standards of integrity and ethics

Principle 6: management of the SAI

### **ISSAI 30: Code of Ethics**

Relevant sections: all:

Topics: Trust, Confidence, Credibility, integrity, Independence, Objectivity, Impartiality, Political neutrality, Conflicts of Interest, Professional Secrecy, Competence, Professional Development.

### **ISSAI 40: Quality Control for SAIs**

Relevant sections:

Element 1: Leadership responsibilities for quality within the SAI

Element 2: Relevant ethical requirements

Element 4: Human resources: policies, procedures.

### **ISSAI 200: General Standards in Government Auditing and Standards with Ethical Significance:**

Relevant sections: all: topics:

Recruitment, Professional Development, Training, Competence, Skills, Conflict of Interest and independence.

## Annex 2a: Framework of human resources responsibilities (NAO)

The provision of human resources services is a key corporate function of a SAI and impacts on all staff. Each member of staff has a role to play in ensuring that these services are delivered effectively and meet the needs both of the individual and the business.

It is sound management for an SAI to allocate ownership and responsibility of the key human resources functions. The following table outlines the key areas of responsibility for individuals, line managers, Departmental Heads and the central human resources team. None of these areas of responsibility should be considered in isolation. Each is independent of the others, within the framework of the central human resources function.

Function	Individuals	Line managers	Departmental heads	Central human resources
<b>Roles</b>	<p>An SAI expects individual members of staff to:</p> <p>Seek to contribute fully to the work of the SAI.</p> <p>In the following fields individuals should:</p>	<p>An SAI expects managers to:</p> <p>Encourage and enable all their staff to deliver business objectives and to reach their full potential; and</p> <p>Keep staff well informed about developments that may affect them and about the work and organisation of the SAI and its clients.</p> <p>In the following fields managers should:</p>	<p>An SAI expects departmental heads to:</p> <p>Ensure that the department obtains and makes the most effective use of staff resources to deliver business objectives.</p> <p>In the following fields departmental heads should:</p>	<p>An SAI expects central HR to:</p> <p>Provide support to the Departmental Heads, and deliver specialist HR services to line managers and staff;</p> <p>Develop, implement and review HR policies and strategies which meet the business needs of the SAI;</p> <p>Take responsibility for ensuring equality of opportunity in the development and operation of all human resources policies.</p> <p>In the following fields central HR should:</p>



Function	Individuals	Line managers	Departmental heads	Central human resources
<b>Recruitment</b>	<p>Contribute to the creation of job descriptions;</p> <p>Get involved in the recruitment process.</p>	<p>Prepare first draft job descriptions;</p> <p>Participate in the recruitment of new staff members.</p>	<p>Develop the departments resourcing strategy which supports and informs the SAI HR strategy;</p> <p>Analyse staff numbers and skills required to meet the departments objectives and develop a strategy to meet those requirements;</p> <p>Ensure the agreed staffing levels are met.</p>	<p>Prepare an overall staffing plan for the SAI to meet business objectives;</p> <p>Monitor staffing position against projections;</p> <p>Determine the need for and run SAI wide recruitment and promotion exercises;</p> <p>Issue or contracts of employment;</p> <p>Organise induction for new staff, and deliver induction on central functions.</p>
<b>Probation</b>	<p>Attend the SAI at the required times;</p> <p>Follow the ethical standards, core values and Code of Conduct and other relevant rules and regulations pertaining to personal performance;</p> <p>Agree objectives to be achieved to meet the required competencies of the grade during the probation period;</p> <p>Agree and attend training and development events;</p> <p>Be active in correcting any deficiencies drawn to attention.</p>	<p>Explain to the individual the purpose and importance of probation, the required standards of performance, behaviour and attendance, details of the process of probation, and the key dates and timescales;</p> <p>Monitor, appraise and give regular feedback to an individual on performance;</p> <p>Supervise, train and provide general support during the probation period.</p>	<p>Oversee the line manager's management of the probation reporting arrangements;</p>	<p>Manage the probation process;</p> <p>Supply new staff member with all necessary documentation, copies of rules and regulations and passes;</p> <p>Introduce individuals to absence management and timekeeping policies;</p> <p>Ensure the individual understands the possibility of non-renewal of contract at the end of the first 12 or 24 weeks, and for obtaining the signature of the new staff member to the agreement to abide by the SAI Code of Conduct and Ethics</p>

Function	Individuals	Line managers	Departmental heads	Central human resources
<b>Organisation of the team</b>	<p>Contribute to the creation of job descriptions;</p> <p>Contribute ideas on the organisation of the team;</p> <p>Alert the team leader to issues on the operation of the team.</p>	<p>Establish, organise and structure the team so that it achieves its objectives within the resources available;</p> <p>Look flexibly at the design and definition of jobs in the team to suit the staff available. Make use of their skills and identify development opportunities;</p> <p>Plan ahead to ensure that future staffing needs are met.</p>	<p>Develop the departments HR strategy which supports and informs the Office HR strategy;</p> <p>Assess the departments recruitment needs by analysing the staffing numbers, levels and skills required to meet the departments business objectives and develop a strategy to meet those requirements;</p> <p>Ensure the staffing levels are met.</p>	<p>Prepare an overall manpower plan for the Office to meet business objectives;</p> <p>Regularly monitor staffing position against budget projections</p>
<b>Selection of team members</b>	<p>Apply for vacancies for which you are suitable, subject to the needs of your current post.</p>	<p>Select new members of the team.</p>	<p>Provide access to skills across the Office and provide help team leaders to ensure the agreed staffing levels are met;</p> <p>Assist central HR in running recruitment and promotion campaigns.</p>	<p>Determine the need for and run recruitment campaigns and promotion exercises;</p> <p>Issue employment contracts.</p>
<b>Induction of team members</b>	<p>Support the induction of other members of the team.</p>	<p>Arrange and agree a programme of induction for new members of the team.</p>	<p>Provide support and advice to new line managers to ensure they meet their accountabilities for HR issues;</p> <p>Ensure effective and consistent arrangements for department induction are in place.</p>	<p>Ensure new staff members receive induction by the department they have been allocated to.</p>
<b>Team direction and motivation</b>	<p>Seek to put into effect the SAI's core values;</p> <p>Observe high standards of conduct and integrity in dealing with colleagues and clients.</p>	<p>Provide leadership for the team and motivate individual team members.</p>		

Function	Individuals	Line managers	Departmental heads	Central human resources
<b>Training and development</b>	<p>Review performance to identify development needs and seek training opportunities to improve performance and potential;</p> <p>Seek to develop skills on the job, in line with agreed development plans;</p> <p>Keep skills up-to-date through research and reading using library, intranet and internet sources;</p> <p>Maintain continuous professional development records;</p> <p>Evaluate effectiveness of training activities;</p> <p>Prepare personal development plan;</p> <p>Comply with equal opportunities policies and attend relevant training.</p>	<p>Develop the team by providing coaching, support and regular feedback to enable staff to develop their knowledge and skills;</p> <p>Encourage staff who are performing effectively and take firm but fair action when they are not;</p> <p>Ensure that there are effective mechanisms for consultation and feedback;</p> <p>Evaluate effectiveness of training events;</p> <p>Discuss training and development needs with staff and ensure they have good quality PDPs;</p> <p>Ensure staff are aware of equal opportunities policies and comply with them;</p> <p>Ensure that staff are not subject to acts of discrimination.</p>	<p>Identify and put in place arrangements to meet the training and development needs of staff in the department to enable them to improve their skills and performance;</p> <p>Recommend staff for appropriate training;</p> <p>Design and deliver team based HR initiatives or training programmes;</p> <p>Prepare and monitor department training budgets;</p> <p>Produce department training plan and report;</p> <p>Support initiatives promoting diversity and equality of opportunity.</p>	<p>Develop an Office-wide training and development strategy and plan;</p> <p>Review annual appraisals and ensure the identified training needs are included in department training plans;</p> <p>Develop, review and update the SAI's competency framework;</p> <p>Run professional training programme and provide support for all professional training;</p> <p>Administer training applications;</p> <p>Collect data on training activities and produce annual training and development report;</p> <p>Manage training evaluation;</p> <p>Provide training support;</p> <p>Ensure that equality of opportunity underpins the development of all HR initiatives;</p> <p>Monitor and report on the effectiveness of equal opportunities and diversity.</p>

Function	Individuals	Line managers	Departmental heads	Central human resources
<b>Performance appraisal, including objective setting</b>	<p>Participate in the exercise to prepare, discuss and agree objectives and forward job plans with line manager;</p> <p>Strive to achieve objectives and improve performance;</p> <p>Prepare for the appraisal discussion by making regular self-assessments prior to formal interviews and jotting down points for discussion;</p> <p>Participate fully and constructively in the performance review and appraisal process;</p> <p>Complete assessment to timetable.</p>	<p>Discuss and agree with each member of staff SMART objectives and forward job plans;</p> <p>Review objectives against area and Corporate objectives and offer guidance on performance standards to staff;</p> <p>Monitor progress on achievement of objectives and provide immediate formal and informal feedback to staff;</p> <p>Carry out regular formal interviews with staff and ensure all staff are appraised each year;</p> <p>Carry out appraisal interviews and complete fair and honest appraisal reports within the agreed timetable and according to set standards.</p>	<p>Ensure that objectives are being set and monitor their quality;</p> <p>Ensure that appraisals are completed in a timely fair manner and monitor departmental results;</p> <p>Ensure appraisal ratings are fair, consistent and objective across the department;</p> <p>Carry out reviewing officer interviews with staff.</p>	<p>Manage the probation process;</p> <p>Provide guidance on setting and agreeing objectives;</p> <p>Develop policy on pay, and pay related and grading issues;</p> <p>Design the staff appraisal system and provide guidance for staff and managers to implement it;</p> <p>Ensure all documentation is available at the appropriate time;</p> <p>Issue timetable for the appraisal process and ensure all appraisals have been completed by the deadline;</p> <p>Monitor fairness and consistency of performance appraisal Office-wide including arranging appeals.</p>
<b>Conduct and discipline</b>	<p>Observe high standards of conduct and integrity;</p> <p>Comply with SAI policies;</p> <p>Complete and return annual code of conduct;</p> <p>Ensure confidentiality of information in your possession.</p>	<p>Monitor, control and take remedial action to deal with conduct and inefficiency cases;</p> <p>Manage the grievance process in liaison with central HR;</p> <p>Take informal disciplinary action.</p>	<p>Liaise with central HR on formal disciplinary cases.</p>	<p>Advise on conduct and disciplinary cases;</p> <p>Manage formal disciplinary procedures;</p> <p>Manage security clearance process.</p>

Function	Individuals	Line managers	Departmental heads	Central human resources
<b>Secondment, career development and promotion</b>	Manage and develop career by looking for and taking opportunities to broaden skills and experiences of different types of work in the SAI.	<p>As part of the staff appraisal process:</p> <p>Conduct career development interviews and discuss opportunities for secondments, job moves etc;</p> <p>Discuss training and developments needs with staff and ensure they have PDPs;</p> <p>Evaluate honestly competencies of candidates seeking promotion.</p>	<p>Support staff and team leaders by facilitating job moves and advising on career development opportunities;</p> <p>Manage secondments;</p> <p>Monitor and review quality of PDPs.</p>	<p>Operate secondment programme;</p> <p>Identify and advertise secondment opportunities;</p> <p>Manage promotion procedure;</p> <p>Coordinate staff moves;</p> <p>Conduct exit interviews;</p> <p>Monitor and report on retention and wastage;</p> <p>Organise career events.</p>
<b>Consultation</b>	Give feedback to line manager and make views known to the development and implementation of corporate initiatives.	Ensure that there are effective mechanisms for consultation and feedback so that staff are involved in issues which affect them.	Provide feedback to and seek views of individuals and teams on office-wide initiatives.	<p>Conduct formal and informal negotiations with staff association;</p> <p>Consult with staff on development projects through focus groups, etc.</p>
<b>Information</b>	<p>Keep self-informed of developments affecting the work of the SAI or of the team;</p> <p>Keep others informed of developments that may affect them.</p>	<p>Explain and support corporate policies and represent staff views to senior management;</p> <p>Keep staff well informed about developments that may affect them and about the work and organisation of the SAI and its clients.</p>	Explain and support office HR policies and contribute to their development.	<p>Inform staff of HR policies through the HR Manual, circulars and other publications;</p> <p>Monitor implementation of HR policies and systems and report to senior management.</p>

Function	Individuals	Line managers	Departmental heads	Central human resources
<b>Employee attendance and support</b>	<p>Ensure regular attendance and follow rules for notification of sickness and absence;</p> <p>Seek advice and support before personal issues become critical;</p> <p>Complete timesheets and sickness absence certificates promptly;</p> <p>Take full annual leave in accordance with HR manual and give line managers sufficient notice;</p> <p>Comply with HR policies, equal opportunities guidance and code of conduct.</p>	<p>Monitor, control and take remedial action to address staff absences, disciplinary and inefficiency cases, in consultation with HR;</p> <p>Consider and take action on special leave applications;</p> <p>Hold return to work interviews with staff;</p> <p>Ensure all staff receives fair and equal treatment.</p>	<p>Encourage consistent and effective HR practices within the Dept.</p>	<p>Provide advice on HR policies and procedures;</p> <p>Monitor and provide sickness absence and turnover statistics to department heads and senior management;</p> <p>Liaise with line managers to reintegrate long-term absentees;</p> <p>Provide welfare support services;</p> <p>Manage career breaks and maternity leave;</p> <p>Monitor and report equal opportunities data and take action as necessary.</p>
<b>Support to line managers and staff</b>			<p>Support line managers in the development of their staff;</p> <p>Provide advice, facilitation or individual coaching to managers on HR issues;</p> <p>Keep in touch with line managers to identify HR issues or problems which may impact the office or individuals;</p> <p>Help line managers to resolve problems.</p>	<p>Develop, maintain and review HR policies and strategies to meet the needs of the SAI and the individual needs of staff;</p> <p>Communicate responsibilities and provide training, guidance support and advice to enable individuals, line managers and heads of department to carry out their HR responsibilities;</p> <p>Deliver specialist HR services.</p>

Function	Individuals	Line managers	Departmental heads	Central human resources
<b>Pay and benefits</b>	<p>Check pay slips and report errors;</p> <p>Inform payroll of any tax changes;</p> <p>Apply for benefits in good time;</p> <p>Ensure personal details are checked on request.</p>	<p>Approve annual leave and carry forward.</p>	<p>Monitor the Departments budgets.</p>	<p>Negotiate and implement the annual pay award;</p> <p>Control pay budget through regular monitoring;</p> <p>Deliver staff benefits;</p> <p>Develop and interpret policy on pay, pay related and grading issues;</p> <p>Maintain and develop IT systems;</p> <p>Manage pension arrangements including early retirement programmes.</p>

## Annex 2b: Resource management system (NAO)

A resource management system will provide the SAI with valuable management information to enable the SAI to determine more accurately its precise resource needs to deliver its mission. Information from the system will help the SAI formulate policies relating to recruitment, training, development, and promotion.

### Time recording

Time recording is one of the first building blocks to introduce a resource management system. Time-recording is a means to track better how human resources are used. The driving force behind the introduction of the time recording system is the need to provide senior management with regular and reliable management information to help the SAI plan and monitor the use of its staff resources more effectively. The information that may be collected by a time-recording system is a valuable tool for management in making the most efficient and effective use of available resources. The information can be used as evidence to Parliament not only that this is the case but also to show Parliament substantive proof of the actual number of staff needed to deliver the SAI's mandate.

### Development of a time recording system

As part of the process of looking critically at the way resources are being used, many SAIs introduce readily available time recording systems. Most systems use electronic timesheets for individuals to record details of the staff hours worked by them on an individual basis on a discrete piece of work or job in a specified period. Analysis of the information will enable the SAI to determine, for example, how long it takes to audit a particular account or to complete a performance audit. The information can also be used to calculate the cost of a piece of work. The hours worked, when multiplied by the hourly charge out rate for that individual's grade, will provide the SAI a cost for the work undertaken on a particular job in a specified period.

The information on how individuals have spent their time, and the cost of the time that individuals have spent on an activity, can also be used to assess the performance of individuals and whether they have been able to meet their objectives for delivering a piece of work within time and cost budgets.

A time recording system will allow users in the SAI to record and retrieve information on staff time, budgets, costs, milestones, delivery dates and outputs achieved at various levels across the SAI. It will also enable the SAI to monitor the actual time staff spend on non-core audit activities. For audit staff this can include time spent on training, leave and sick. The system should include a suite of reports to provide users of the system with the accurate and up-to-date information needed to carry out the work of the SAI more efficiently and effectively, and to use this as evidence to Parliament that this is the case. For example the SAI will be able to generate the following reports at different levels:



Individuals should be able to:

- Extract details of the work they have undertaken in a particular period. This report will be based on the information they have recorded in their timesheets;
- Identify the costs associated with their work. Costs will be derived by multiplying the number of hours worked by the hourly charge-out rate for the grade of the individual;
- Group the information displayed in the report by work and or job category, objective and manager etc;
- Use the report, together with their manager, to form the basis of discussions on the annual performance appraisal process.

Managers should be able to:

- Print details of each job for which they are responsible. This would show the hours booked and costs incurred by each individual assigned to the job;
- Measure actual expenditure on each of his/her jobs against their approved budgets;
- Track progress on each of their jobs using milestone and output information;
- Report the actual outputs of their area compared to the agreed annual work programme;
- Monitor groups of jobs under their control;
- Manage their workload and control indirect costs (such as leave and training).

Senior management should be able to:

- Run reports which provide quarterly monitoring and annual accountability information;
- Report actual outturn against planned budget in terms of cost and time for each level of the hierarchy;
- Report on the financial and qualitative impacts arising from financial and performance audits.

## Human resources planning exercise

Information from the time recording system should feed into the annual human resources planning exercise which will also take into account information in the SAI's Strategic Plan such as budget limits, service requirements and the future needs. It needs to determine the numbers, types, competencies and qualifications of the staff it requires. It needs to compare its current staff mix with the desired numbers and mix identified in the Strategic Plan, while taking account of anticipated departures over the plan period. If the SAI has the wrong balance of staff it will not be able to achieve its mission.

The result of this exercise will probably indicate that there is a gap between the numbers and mix of staff the SAI has and the number and mix of staff it needs. And the SAI will have to decide how to meet most effectively the new demands through, for example:

- Training or retraining existing staff;
- Promoting existing staff;
- Recruiting those with the required skills, competencies and qualifications;
- Recruiting those with required competencies and then training them to acquire technical skills and qualifications;
- Short-term contracting-in of specialists.

During the planning exercise the SAI will want to establish the number of staff hours available to carry out its work. When devising the budgets for any given year the SAI should take into account the number of planned hours in the year for each individual, grade or group of staff. This should take into account the number of hours to be spent on core and non-core tasks. The non-core tasks will include training, career development, estimated sickness levels, holidays, maternity leave etc. These are important elements in the planning process as they can reduce substantially the amount of time available for core tasks.

With regard to training for example, the SAI should take into account the minimum amount of professional development expected to be achieved by each member of staff including structured and unstructured training for each individual. This will enable the SAI to determine the amount of total staff time it should make available for training and included in the budget presented as part of the business plan. The cost of such training must also be included in the annual budget estimates.

## Development of a human resources management system

The SAI will be aware that in addition to the time recording system it needs cost effective arrangements for collecting that information, ensuring the information is accurate and on time, and that the information is used for decision making.

A human resources management system will provide valuable information to management and should highlight the way in which key information on the performance of individual audits and their costs is aggregated. The key ingredients of a human resources management information system are:

- Job costing – a process of allocating the direct staff costs and all overhead costs to the actual audits carried out by audit staff;
- Staff utilisation targets – an agreement of how many annual hours staff are expected to spend on actual audits. This will generally vary with junior audit staff being expected to spend a higher proportion of their time on direct work and senior staff spending more time on indirect work. Once the current position is identified there is then scope to drive up staff utilisation rates;

- Job codes – a unique coding system for all audits and indirect work so that every job can be separately identified and monitored;
- Job budgeting – a system for recording how long a job is expected to take and what staff (by grade and time), travel and other costs have been committed to ensuring that the job is delivered as planned;
- Time sheets – a way of recording what time staff spend on each direct and indirect job – so enabling budgeted time to be compared with actual time spent.

### Getting the right staff – actions a SAI can do

With these processes in place, the SAI will be well-positioned to deliver what human resources planning is all about, namely optimising performance at work. This embraces recruitment, induction, development, equality, health and safety and welfare. To improve efficiency, effectiveness and quality, the SAI needs excellent, committed and hardworking staff. Although the SAI may be satisfied with the calibre of staff it has been able to recruit and retain it can do more to ensure it has staff with the right skills and attitudes, in the right place at the right time and attitudes.

To achieve this it is important to establish factors that affect manpower planning decisions. In most cases three factors should be looked at:

- The demand for employees or how many jobs the organisation needs over the strategic planning period;
- The loss rates, normally wastage and retirements;
- The replacement policies, normally recruitment and promotion.

The next steps are for the SAI to:

- Examine its current staff mix, taking into account anticipated departures over the planning period, and compare with the skills which are needed to ensure that the organisation can carry out sufficient high quality audits to meet current and anticipated expectation;
- Identify how many of the different types of staff it needs;
- Identify where such skills might be found (or the extent to which they might be grown internally within the SAI, recruited externally or some mix of the two);
- Agree what package of terms and conditions might be needed to recruit and retain such staff;
- Examine what sorts of contracts might need to be in place – permanent, temporary;
- Identify who, amongst current staff, would have, or could develop, the requisite skills and agree a strategy, possibly involving the staff representatives, for dealing with those staff who might not meet the grade – i.e. redeploying elsewhere in the civil service, voluntary retirement, early pensions etc;
- Take account of anticipated departures over the plan period (resignations, retirements, secondments etc).

## Seeking more resources by Influencing Parliament: Indicators that the SAI is doing a good job

As indicated above it is likely that many SAIs will require additional resources over the next few years if they are to meet expectations and be able to carry out fully their roles as external watchdog ensuring that public monies are used for the purposes they were provided and are used effectively and efficiently.

If the SAI finds itself in the position of seeking additional resources, it must demonstrate that it is using the resources it currently has to the maximum possible efficiency and effectiveness. Although achieving an increase in complement may be a slow process it is advisable for the SAI to introduce measures it can use to influence decisions by Parliament on the SAIs resource allocation. In order to justify and support its request for resources and even more so if the request is for an increase in resources, it is important for the SAI to take every opportunity to inform Parliament about its precise staffing needs and about the importance of its work. Reports from the time recording system on the time it takes to undertake audits and later on costs of both financial and performance audits will provide the SAI with very useful and persuasive information in the dialogue between Parliament and the SAI on budgets and resources. The SAI will be able to present to Parliament precise information about how many staff it needs to achieve the audit of all its accounts, and how many staff it needs to undertake the agreed number of performance audits.

In its quest for additional resources the SAI can also influence Parliament in a number of other ways. It is important for the SAI to produce evidence that it provides an effective external audit service to its legislature, audited bodies and general community and that this service is provided efficiently and results in high quality work. The SAI needs to be able to demonstrate effectiveness, efficiency and quality, and recognise that some of the measures the SAI might need to use would be qualitative and others quantitative. The SAI should install mechanisms to capture the relevant information, which can then be used as evidence of achievement.

Possible qualitative indicators include:

- Requests for service – if Parliament asks the SAI to carry out particular pieces of work, providing the request is not politically motivated, then this would be an indication of the regard in which the SAI is held;
- Parliamentary use of reports – for example quoting the SAI's reports in a parliamentary debate or having an impact on legislation;
- Staff morale – results of annual or biannual staff surveys;
- Endorsement by international organisations.

Possible quantitative indicators include:

- Financial savings arising from the SAIs work;
- The percentage of recommendations accepted and then implemented – this latter indicator pre-supposes that the SAI has the mandate and resources to follow up recommendations;

- Compliance with mandate – for example completion of financial audits by agreed delivery date or publication of agreed number of performance audit reports;
- Column inches of positive publicity in newspapers and television or radio air time.

In looking at measures of efficiency, indicators that can be highlighted include:

- Compliance with budget i.e. the SAIs spending what it predicted during the budget planning process;
- Percentage of audits delivered on time and to budget;
- Extent to which staff time is spent on core audit business and other activities relating to the SAI;
- Reductions in operating costs, for example travel, phones and utilities.

In assessing the overall quality of the SAIs work and its compliance with international standards, there are few easy indicators and it is necessary to use a variety of approaches. While it might be useful to record the numbers of auditors who are professionally qualified, the extent to which internal quality reviews were functioning, and the extent to which codes of ethics had been signed, more extensive appraisals of quality would need external inputs. For example it is important to canvas the opinion of the legislature and audited bodies – recognising that some of the comments might be influenced by the audit opinions they had received. Nevertheless, surveys of clients could be revealing.

Quality reviews can be internal or external. International best practice suggests that external peer reviews can be very helpful, although such external reviews can be expensive to carry out.

## Monitoring impacts

Having decided on what are some of the key measures or indicators which are needed to manage the SAI and to demonstrate publicly that the SAI itself is achieving good value for money when looking at the issue of measuring effectiveness, the SAI should recognise the power of demonstrating to the legislature and civil society that its work has led to direct tangible impacts through money saved or other quantifiable impacts. The SAI needs systematic procedures to record this evidence and present it to Parliament, audited bodies and the general community as evidence of its effectiveness.

In parallel with the focus on financial impacts, the SAI could begin to document more systematically and rigorously other sorts of impacts – time saved, other arrangements introduced etc. and report these less tangible impacts in the same way.

## Actions for the SAI to justify requests for more resources

While the SAI recognises that making best use of existing resources is essential, the SAI may consider that this will not be enough and more resources will be necessary to carry out high quality modern financial and performance audits. So what can the SAI do to help make the case for increased resources?

While not publicly campaigning for more resources, the SAI can do much to create a public climate supportive of its role and conducive to its being granted an appropriate level of resources. Some of the ways it might do this are:

- Ensuring that reports are tabled in Parliament in a timely manner;
- Ensuring, during regular discussions with the Ministry of Finance, that requests for additional funding are couched in the context of adopting best practices in line with other SAIs;
- Showing how increased resources directly translates into increased benefits by cutting waste and increasing revenue;
- Ensuring that reports have kept public interest;
- Looking for ways of reporting which grab attention – audit reports which pin point key issues at the front and not buried in later chapters;
- Encouraging the Public Accounts Committee to prioritise key reports which will have the most interest;
- Network with media (informally) encouraging them to discuss the reports;
- Network with internal public – senior figures in the audited bodies - highlighting value to be added by good external audits.

Over and above creating a climate which sees the SAI as worthy of funding, there is a need for the SAI to make professional well researched bids for resources which clearly resonate with the interests of those reviewing budget submissions. To do this the SAI needs to:

- Have a good Strategic Plan – showing clearly where the SAI is heading and linked to key plans of the government (in a way which does not threaten independence);
- Demonstrate in the plan how the audit universe is becoming more complex;
- Provide figures showing the growth in public funding and comparing with the funding of the SAI;
- Demonstrate how the additional funding will result in faster delivery of audits – perhaps through an increased ability to use IT;
- Emphasise the importance of the Government having assurance that Government expenditure is being properly spent – for external as well as internal credibility;
- Show how the changes will enable it to attract, and retain, higher calibre staff;
- Make it clear what the new money will buy and the risks if the new money is not forthcoming i.e. the audits which will not be done, the new projects which will not be scrutinised.

## How does the SAI know it is doing the right things? – Key management questions

As part of the process of human resources planning, from time to time the SAI should address the following key management questions to ensure it is on track to deliver its mission and Strategic Plan as efficiently and effectively as possible:

- What are our objectives and how do our key tasks match with those objectives?
- What are our key tasks in order of priority?
- Does this task really need to be done?
- Does this task really need to be done by us?
- How do we know what number and type of staff to employ?
- Is there scope for improving productivity?
- How do we judge the appropriate skills mix?
- Are there more efficient ways of organising staff?
- Do we meet the objectives we set ourselves?
  - How do we judge whether we are successful?
  - Can we judge our performance against other comparators?

By asking the right questions management should be able to:

- Identify their aims, objectives and priorities;
- Prepare a business plan identifying resource needs, targets and timetables;
- Establish arrangements to review performance.

Addressing these tasks requires:

- Time;
- The right skills;
- Appropriate information systems;
- Commitment.

## Annex 2c: Check list for human resources planning and budgeting

### Check-list

- Do the SAIs objectives and programmes determine overall staff requirements?
- Is the SAIs complement built up from the interaction between individual proposals of line managers and the organisational goals and harmonised during the budgetary process?
- Are the proposals considered with regards to an assessment of the workload?
- Are proposals in a standard format and uniform throughout the SAI?
- Does the SAI use staff inspection, work measurement or output statistics in order to evaluate specifically the use of, and need for, resources?
- What consideration is given to how work could be most economically and efficiently carried out, e.g. by fixed-term, short-term, agency staff, by overtime or the use of consultants?
- Are proposals submitted to a senior level of management for review?
- What information does the HRM Unit maintain on the external and internal factors affecting human resources supply?
- Does the HRM Unit monitor expected levels of promotion, retirement and recruitment?
- Does the HRM Unit use the information to identify potential shortfalls or excesses in supply?
- Do line managers identify foreseeable shortfalls and excesses and notify these to the HRM Unit?
- Does the HRM Unit provide solutions to potential shortfalls or excesses in human resources supply?
- Have all posts detailed job descriptions which identify the qualifications and experience required?
- Is the grading of, and need for, all posts periodically reviewed by the HRM Unit?
- Is the ratio of professional to general service staff based on an evidenced cost-effective mix?
- Is there evidence of grade drift and or changes in grade mix in staffing over a set period? If there is evidence, to what extent were the changes planned?
- Where the grade mix and changes in staff mix were not planned, has the SAI taken steps to address the problem?
- Do the HRM Unit and line managers monitor staff costs and numbers against approved complements?
- Does a mechanism exist for re-deploying staff where necessary?
- Do procedures exist to ensure that any variations from agreed complements are justified?



## Annex 3a: Goals for HR strategy and policies: good practices (NAO)

In order to facilitate the achievement of the SAIs overall Strategic Plan the human resources strategy should set a series of goals to be achieved during the strategic planning period. Examples of goals which might be useful for an SAI to adopt to help it achieve its vision and mission can be found below - the SAI's human resources strategy should set out the ways and means that the SAI will achieve these goals.

### Goal 1

To provide the SAI with the required number of staff in the right place at the right time with the relevant quality and skills to complete the workload and achieve the aims of the SAI, through recruitment and other sourcing of resources

It is vital that the SAI recruits people with the skills and abilities to meet a rapidly changing and increasingly demanding workload. It can do this by recruiting graduates for training to become professionally qualified and who will provide the SAI with essential accounting expertise. The SAI can also recruit staff with a variety of qualifications and experience to fill specific vacancies on value for money or performance audit, financial audit, IT audit and support services work.

### Good practices on Strategic planning

- a) Achieve the numbers, grades, and structures needed for the SAI to meet its vision, mission and objectives – the staff with the right skills in the right place at the right time;
- b) Efficient and effective use of staff through links of human resources strategy and policies to the overall Strategic Plan, and work and operational plans;
- c) Monitor efficiency through better use of staff returns, timesheets, and reconciling personnel and payroll;
- d) Recruit suitably qualified staff using appropriate selection procedures;
- e) Improve efficiency through the better use of IT in HR: human resources database and management information systems;
- f) Maintain a system of job allocation which aims to: meet corporate needs; meet individual aspirations; and maximise individual contribution for the benefit of the SAI.

## Goal 2

To establish and operate an objective performance-based staff appraisal system based on meeting annual objectives and competency requirements developed by the SAI, and agreed with all staff, and to ensure that all staff are adequately recompensed reflecting their efficiency, effectiveness and application of experience.

All staff have a responsibility to consider the competencies required for their role; to act on the feedback received from performance reviews; and to use the information to maintain a personal development plan.

### Good practices in recruiting and motivating staff

- a) Develop competencies relevant to the SAIs current and future role;
- b) Maintain up-to-date job descriptions for all SAI work;
- c) Operate a fair and objective assessment system including identifying and addressing poor performers;
- d) Establish clear and fair individual work and personal objectives;
- e) Ensure that all individuals know and accept exactly what is expected from them, leading to honest and objective evaluation criteria;
- f) Adopt an attractive reward systems including financial;
- g) Provide non-financial incentives.

## Goal 3

With regard to training, learning and knowledge transfer, to develop individual skills to the highest professional standards, through establishing a training and development programme using best practise from relevant internal and external experience, to take the SAI forward to meet current and future challenges.

The skills needed by an SAI are changing with the nature of the work. To keep pace with these changes SAIs need to invest in the training and development of their staff. This not only encompasses professional development but also includes developing better personal effectiveness and management skills.

### Good practices in training and development

- a) Identify priority corporate skills needs for the future and communicate them to all staff;
- b) Undertake training needs analysis, to define the training and learning required to create a fully skilled workforce;
- c) Develop a training plan to meet corporate skill needs and based on a skills improvement programme for all staff;
- d) Organise professional courses for auditors and others to underpin professional standards;
- e) Devise an induction programme so that new staff have all relevant skills;
- f) Use a variety of training methods and make use of internal trained trainers;
- g) Maintain and update current skills through seminars and workshops;
- h) Share knowledge through benchmarking outputs and outcomes of all learning events;
- i) Evaluate the effectiveness of training and ensure that this meets the business needs of the SAI.

### Goal 4

With regard to staff management to develop and implement a fair and objective system for the retention, rotation, succession planning and promotion for all staff.

### Good practices in career development

- a) Retain the best staff through better people management and improved non-financial rewards;
- b) Staff rotation to be a planned, fair and efficient system within external regulatory constraints;
- c) Identify the next generation of management and future leaders;
- d) Organise seamless succession planning and identify a programme for dealing with retirements;
- e) Ensure promotion is based on ability.

### Goal 5

To build a workforce committed to the achievement of corporate, team and individual goals and values.

SAIs need to build a workforce that understands and shares the SAIs mission, vision, values and goals. The SAI should in return provide: equal opportunities for all staff; fair performance appraisal, reward and other personnel systems; training and encouragement to develop good management and team-working skills; and open channels of communication.

#### Good practices in engaging staff

- a) Ensure all staff are aware of the SAIs business, objectives and strategies;
- b) Ensure team and individual objectives reflect departmental plans;
- c) Improve levels of staff motivation and commitment;
- d) Improve levels of staff involvement and both upward and downward communication.

### Goal 6

To improve leadership and management skills capability of the SAI which will improve the efficiency and effectiveness of the SAI through improving internal management and communications and by helping individuals make the most of their talents through better delegation and taking on responsibility.

Leadership and management skills are increasingly vital if an SAI is to meet its business objectives and realise the full potential of its staff.

#### Good practices in developing managers

- a) Improve leadership skills of senior managers to give strategic direction to the SAI;
- b) Develop management competencies to assist improvement of decision making;
- c) Organise management training and development for all levels;
- d) Improve the ability of managers to motivate staff to make the most of their contribution;
- e) Improve the ability of managers to coach and develop staff skills;
- f) Improve project management skills;
- g) Achieve better motivated staff through raised morale;
- h) Improve internal communications - a key element for SAI change management;
- i) Teach managers to delegate and to apply better delegation techniques;
- j) Improve infrastructure;
- k) Improve administrative arrangements including updating the human resources aspects of the administration manual and merging into it collective agreements.

### Goal 7

To create an environment where everyone has an opportunity to participate fully in the SAIs work.

Every SAI should be committed to the principle of equal opportunity in employment.

#### Good practices on equality

- a) Ensure all staff receives treatment which is free from unfair and unlawful discrimination;
- b) Follow all other employment-related procedures impartially and objectively, ignoring any discriminatory factors;
- c) Create a workplace where staff are able to work in an atmosphere of safety, dignity and respect, knowing they will not be harassed or bullied;
- d) Promote policies and practices which will encourage equality of opportunity and respect for all.

### Achieving the goals through a well-developed human resources strategy

A human resources strategy, well communicated to staff, setting out the goals, ensures everyone understands what the SAI is trying to achieve and what their roles and responsibilities are. It provides a framework within which the different players can all work towards the achievement of the SAI's goals. Responsibility for achieving these goals is shared between individuals, team leaders or managers, heads of department and the central HR department. Annex 2a provides a framework of human resources responsibilities across the different roles.

### Achieving the goals through working with Public Service Commissions

While a fully independent SAI would be able to develop and manage a human resources strategy on its own, those working within frameworks laid down by a Public Service Commission might have a more difficult task, though many SAIs work effectively with their Public Service Commissions. They do this by:

- Keeping the Public Service Commission's fully informed of their human resources strategy;
- By demonstrating a high level of competence at recruiting, inducting and retaining staff;
- By being prudent about the types of salary and benefits packages offered – which should reflect the packages offered to public servants.

As part of the general move to gain control over human resources policies, it is sometimes necessary for an SAI to demonstrate to Public Services Commissions that the request for more control over certain aspects of its work is about gaining more independence and not about creating a situation where the government might lose control.

SAIs who would like to exert more influence on Public Service Commissions should consider ways they can adopt to bring about change. It is important to convince government and others that:

- Proper systems are in place;
- Staff are protected;
- Human resource manuals have been developed;
- Tight budget controls are being exercised;
- The SAI has the skills to recruit and manage staff and the skills to negotiate with staff representatives.

### **Achieving the goals through self-assessment**

Having developed a human resources strategy the SAI should self-assess the soundness of the strategy and consider:

- How effectively does the human resources strategy support the SAIs overall development goals;
- How effectively is the human resources strategy being implemented with specific reference to resourcing and recruitment; performance appraisal; training and development; staff management; leadership; equal opportunities; and personnel welfare and benefits.

## Annex 3b: Integrated HR Strategy (SAI Peru)

### **A Peruvian approach to integrated Human Resources Strategy (Contraloria General de la República del Peru, May 2012)**

The current administration of the General Comptrollership of Peru has redefined the basis to conduct the comprehensive reformation and strengthening of the institution through a new transformation plan.

In this regard, we consider that the human resources management must understand the dynamics of the organization, in order to translate them into actions, supporting the achievements of the objectives set. Therefore there is a need to renew, create, develop and implement new solutions to the problems or challenges the human capital management faces.

We are currently in the process of developing a project so-called "Definition and implementation of a Human Resources Management Model". This project aims to integrate the needs developed within the institutional strategy, with the organizational management capacity, in order to increase the human resources performance.

The contents contained in this model are as follows:

#### **1 Evaluation, improvement and competence assurance**

We define competences as the characteristics of people, which allow them to have a good performance in a particular job position. These competences take into account a person's knowledge (know), attitudes (know how to be) and skills (know how).

In this phase of the project, we will be working on the knowledge and skills required by the collaborators. For this, test banks and case studies have been elaborated, which will be grouped according to the difficulty level and knowledge area. These test banks and case studies will be available for collaborators, in order for them to provide self-evaluations and measure their progress achieved.

Knowledge and skills will be evaluated. There will be a period of time to pass the official tests.

#### **2 Identity and culture**

We consider culture as the group of values, beliefs, symbols, behaviours, knowledge and ideas share among an organization; which support their sense of belonging. A culture, aligned with the institution objectives and strategies, significantly improve people's performance, and consequently their results.

Culture will be defined, by the General Comptrollership, based on the vision of the Senior Management; and for the implementation, necessary activities and follow-ups will be carried out. For this, we will establish rules of conduct and measurement indicators, contributing to the achievement of the desired culture.

We consider as fundamental to develop strategies of communication and awareness in order to ease the implementation of the desired culture plan.

### 3 Results management

A management tool allowing the improvement of the organisation's efficiency and effectiveness. Such improvement will be done through the follow-up, alignment and measurement performance, at individual and team level, in accordance to the institution objectives. We plan to implement an evaluation and monitoring system for the results management, which will be included on the Performance Management model.

### 4 Career plan

We define the career plan as the different ways of development a collaborator may have in the institution. In this phase of the project, we only plan to develop a diagnosis, design, policies and procedures for the career plan; as well as a proposal of regulations to be implemented.

## Competency Model

We are currently in the process of improving our performance management model, which considers both, the measurement of outcomes (objectives) and behaviours (competences). This model will consider the following standards:

- Suitable measurement:
  - Aligning standards with the organization strategy
  - Balancing behaviours (how) and results (what) expected.
- Target of measurement:
  - Establishing consequences and implications of the measurement.
- Ensure understanding of the model:
  - Is the evaluation aligned with the work carried out?
  - Do we only care about the results or do we care as well about the collaborators development?
  - Does the collaborator know how he is doing?

We are considering carrying out a performance evaluation every six months.

For the results-based evaluation, we will set the achievement of objectives individually, when beginning the evaluation period, so that on the completion of this period, each collaborator will be aware of the objectives he or she was supposed to meet.



In the case of competences, we have established 3 general competences, based on the mission, vision and values of the institution, as well as the different levels of development.

In this regard, we allow ourselves to share our general competences (which are just a draft as they haven't yet been approved formally):

Integrity	Ability to behave in accordance with institutional values, good manners and professional practices; and to act with confidence and consistency
Focus on results	Ability to set their own goals ambitiously in order to achieve goals beyond the expected, defining strategies without losing the overall view, balancing quality and achieving results.
Commitment	To feel the General Comptrollership's objectives as their own, endorsing the mission and vision of the institution; guiding their behaviour towards the needs, priorities, objectives and goals.

In the case of specific competences, we have defined 5 categories. Each category has defined 3 specific competences and we are still in the process of defining them.

# Annex 3c: Code of conduct (NAO)

**January 2012**

## **National Audit Office Code of Conduct**

Our vision is to help the nation spend wisely.

We apply the unique perspective of public audit to help Parliament and government drive lasting improvement in public services.

The National Audit Office scrutinises public spending on behalf of Parliament. The Comptroller and Auditor General, Amyas Morse, is an Officer of the House of Commons.

He is the head of the NAO, which employs some 880 staff. He and the NAO are totally independent of government. He certifies the accounts of all government departments and a wide range of other public sector bodies; and he has statutory authority to report to Parliament on the economy, efficiency and effectiveness with which departments and other bodies have used their resources. Our work led to savings and other efficiency gains worth more than £1 billion in 2010-11.

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## Preface

The NAO must be able to demonstrate that we observe the highest standards of corporate and personal conduct. Our work is concerned with pursuing high standards of probity and propriety in the bodies we audit; we have extensive rights of access to information and to the staff of public bodies; we have a unique role to uphold and promote accountability in the public service; and we have a high public profile. These rights and responsibilities place us under a particular obligation to maintain high standards.

We also subscribe to the professional and ethical standards set by the UK Auditing Practices Board, the International Federation of Accountants, and the INTOSAI Code of Ethics for Auditors in the Public Sector. Our staff are subject to the codes of conduct of their professional institutes.

This Code of Conduct reinforces the core values and standards that underpin the NAO's work, and provides a reference point for decisions and courses of action in carrying out our statutory and professional responsibilities. All of us who serve Parliament as non-executives or employees of the NAO have a duty to conduct ourselves in line with the Code, at whatever level we operate and agree to be bound by its terms. In issuing the Code, therefore, I confirm that I am personally committed to adhere to each of the principles and values contained within it, and to comply in full with its provisions.

AMYAS MORSE  
Comptroller and Auditor General

## 1 Introduction

### Values and standards

**1.1** Given the NAO's role in providing assurance and advice to Parliament on the way government departments and public bodies account for and use taxpayers' money, the highest standards of corporate and personal conduct are essential, and public service values and professional standards must be at the heart of the way we conduct our business.

**1.2** In addition to our Corporate Values (co-operative spirit, integrity, looking outwards, making a difference, open communications, professional excellence and valuing individuals) there are three guiding principles which underpin the work of the NAO and must be applied if we are to retain the confidence of Parliament, audited bodies and the wider public:

**Accountability** – everything done by those who serve Parliament as non-executives or employees of the NAO must be able to stand the test of Parliamentary scrutiny, public judgements on propriety, and professional codes of conduct.

**Probity** – NAO work and resources should be handled with the highest standards of honesty and integrity.

**Objectivity and impartiality** – the C&AG's independence, and that of his staff, is fundamental to the conduct of all the Office's work. We must be objective and impartial in all that we do.

### Scope and application

**1.3** The Code of Conduct sets out the framework of professional and ethical behaviour, and is supported by detailed policy statements available on the intranet. Detailed links to the relevant extracts of these documents are provided where appropriate. Non-executives and staff are required to read the Code and supporting policy statements and confirm annually that they have complied with all its provisions. Returns will be made online and records will be maintained by HR.

**1.4** The Code applies to all non-executives and staff, including staff on fixed-term and short-term contracts, and inward secondees. Employment agency staff and those contracted to work for or provide services to the NAO, although they are not expected to make a declaration, are expected to abide by the terms of the Code. Compliance with the Code is a prerequisite for undertaking any audit work.

**1.5** Code of Conduct returns will be used in the process for reviewing and approving security clearances for staff. Adverse entries (eg arrests or convictions) may result in an individual's security clearance being refused or withdrawn.

**1.6** All staff who are members or students of professional bodies must uphold the codes of conduct of those bodies. Staff who are professionally qualified should also be aware of their obligations to ensure that they remain competent to undertake assignments, that their knowledge remains up to date in accordance with the requirements of their professional body, and that they are fit and proper persons to undertake their work.

**1.7** The Code defines responsibilities but cannot address all the possible issues which staff may face. This places a responsibility on individuals to apply common sense and careful judgement. There may be occasions when further guidance or clarification on the Code is required, for instance if:

- there are doubts about the application or scope of its provisions;
- there are apparent conflicts with the requirements of professional bodies;
- individuals believe that they are being required to act in a way which is illegal, improper, unethical or in breach of constitutional convention (which may involve possible maladministration), or which involves any other activity covered by the Public Interest Disclosure Act 1998;
- individuals face a fundamental issue of conscience.

**1.8** In such circumstances, they should discuss the matter with their Development Manager, Project Director, senior manager, or the Director of Human Resources. Non-executives should raise any concerns with the Chairman of the NAO Board and should similarly refer any potential conflicts with the provisions of the Code to the Chairman.

**1.9** Staff will have protection under the Public Interest Disclosure Act 1998 should they raise concerns about the management and operations of the NAO which they feel have not been adequately addressed through consultation with the above named. In order to secure such protection disclosure will need to be made in line with the NAO's Internal Whistleblowing policy which is set out in Chapter 18 of the HR Manual.

**1.10** The Code may be altered, from time to time, to take account of changed circumstances or new situations. Any amendments will be approved by the Leadership Team and NAO Board.

**1.11** Failure to operate within the terms of the Code may be treated as a disciplinary matter under the managing misconduct procedures for staff set out in Chapter 19 of the HR Manual.

## 2 Conduct of NAO Work

**2.1** In undertaking their work, staff must observe the principles detailed in paragraphs (a) to (f) below. Staff undertaking financial audit work must also be aware that work should be carried out in accordance with the Auditing Practices Board's International Standard on Quality Control, Ethical Standards, the International Standards on Auditing (UK and Ireland) and Team 21 Code of Practice.

### (a) Integrity

**2.2** Staff should maintain the highest standards of personal conduct in performing their work and in their relationships with staff of audited bodies. In addition to complying with the law, they should make decisions solely in terms of the public interest, guided by the highest professional and ethical standards, and not to gain financial or other material benefits for themselves, their family or their friends. Staff should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their duties.

### (b) Objectivity

**2.3** Staff should act impartially and objectively. Opinions and reports should be influenced only by the evidence obtained and assembled in accordance with the NAO's professional standards. Staff should not prejudge an issue.

**2.4** Staff need to be independent of audited bodies or other interested groups, and be objective in dealing with the issues and topics under review. Staff must not only be independent, but must be seen to be so. Where staff are seconded from organisations which are audited by the NAO, care should be taken over the allocation or routing of work so as to avoid potential conflicts. Conflicts of interest are dealt with in detail under section 5 of the Code.

### (c) Professional competence

**2.5** Staff are expected to demonstrate professional competence and expertise in their work. They have a personal responsibility to maintain and develop themselves, through programmes of continuing professional and personal development. Audit staff must also keep up to date with professional guidance issued by the Financial Audit Support and VFM Practice and Quality teams.

### (d) Due care

**2.6** Work should be planned and carried out and findings reported in an accurate, fair and balanced way. Staff should also be balanced and fair in exercising their powers of access to external bodies and private sector firms arising, for example, from inspection audits or the examination of contracted out work.

### **(e) Confidentiality**

**2.7** Staff are responsible for the security of the information that they use or manage, and must ensure that appropriate measures are taken to preserve its confidentiality, integrity and availability for use. Staff should make themselves aware of their obligations under legislation governing official secrets, data protection, computer misuse, copyright protection, the retention of public records, and the common law.

### **(f) Professional behaviour**

**2.8** Staff should adopt a constructive and positive approach to their work and relationships. Team leaders should be ready to provide appropriate constructive feedback and support to advance the professional development of members of their teams.



## 3 Handling Data and Information

**3.1** The NAO has access to substantial amounts of data to enable us to perform our statutory audit tasks and to support the effective internal administration of our business. We have a duty to respect this privileged access and to ensure that the information entrusted to us is safeguarded properly. Specific statutory responsibilities and security considerations apply and all staff must be familiar with these.

### Personal data

**3.2** The Data Protection Act 1998 imposes a number of statutory obligations on organisations who obtain personal data, and the implications for the NAO are set out in the document entitled 'NAO responsibilities under the Data Protection Act'. The Data Protection Framework and the related Statement on the Management of Personal Data provide guidance on the best way to request, process, store and destroy personal data.

**3.3** The Data Protection Framework considers both the sensitivity and the volume of the data we hold and the roles and relevant responsibilities of staff in requesting and subsequently managing data. It applies equally to data held by us and to data processed by contractors on our behalf.

**3.4** All staff must make themselves familiar with NAO policies related to the security of personal data and take all reasonable steps to ensure the Office operates the highest standards of compliance with the Data Protection Act in relation to requesting, accessing, storing, transferring and destroying personal data, including that held in both electronic and physical formats.

### Official Secrets Act

**3.5** The Official Secrets Acts 1911 and 1989 prohibit non-executives, employees, NAO contractors and employment agency staff from disclosing to any unauthorised person, either orally or in writing, certain categories of information (security and intelligence, defence, international relations, foreign confidences, crime and special investigation powers) acquired through their official duties, unless they have received official permission. The Acts apply during and after a person is employed at the NAO or carries out work on behalf of the NAO.

### Information Security

**3.6** The NAO is a member of the Government Secure internet (GSI). As such all staff must use the GSI in a way that protects the GSI infrastructure, the information it carries and the organisations connected to it. Any infringement could invalidate the Office's GSI accreditation. All staff must make themselves familiar with NAO security policies as set out in the NAO Security Manual and abide by them. All staff who suspect, observe or discover breaches of the information security policy must report the incident to the ITRC Service Desk (e-mail to Z3 – ITRC Service Desk or telephone ext 7272).

### Unauthorised disclosures

**3.7** The C&AG shall be the final arbiter about what shall, or shall not, be disclosed about the work of the NAO. Should staff become aware of the unauthorised disclosure of information damaging to the interests of the NAO, including the leaking of draft reports, they should report these matters to the Board Member responsible for Corporate Governance.

### Freedom of Information

**3.8** Subject to the foregoing requirements, the Office applies the prescription of openness in the Freedom of Information Act 2000. The Act itself provides for exceptions in respect of such matters as national security and data protection; and there is a specific exemption for audit bodies, though subject to a public interest test. To maintain consistency, and compliance with both the letter and the spirit of these complex provisions, no release of information under the Act should be made without the recorded agreement of the Board Member responsible for Corporate Affairs, who will also take responsibility for conveying whatever is released to the requester of the information. Staff should familiarise themselves with the FOI Essentials – the things you need to know, on Merlin.

## 4 Political Activities

**4.1** The C&AG is an officer of the House of Commons and is independent of the Executive. Given the status of the C&AG and the role of the NAO, it is essential that the Office is, and is seen to be, free from political bias. The work of the Office impacts on a wide range of national and local issues, which frequently attract attention in the public and political arenas. Ill-considered or irresponsible comments or actions of a political nature could cause irreparable damage to the credibility of the C&AG and the Office.

**4.2** It is crucial, therefore, that staff avoid any activity which might bring into question the impartiality of the C&AG, the Office, or its employees. The aim of these rules is to allow NAO staff the freedom to participate in public affairs, without prejudicing the impartiality of the Office; they are not intended to place restrictions on privately held beliefs and opinions.

**4.3** In order to protect the impartiality and independence of the Office, both perceived and real, it is necessary to restrict the extent to which staff can participate in national and local political activities. Full details of these restrictions are set out below:

### Political activities which may be subject to restriction include:

- a) candidature for, or co-option to, local authorities or candidature for Parliament or the European Parliament. Under the House of Commons Disqualification Act, 1975, as amended by Section 3(i) of the National Audit Act, 1983, NAO staff cannot become MPs.
- b) holding, in party political organisations, offices which impinge wholly or mainly on party politics in the field local government, Parliament or the European Parliament.
- c) speaking in public on matters of local or national political controversy.
- d) expressing views on such matters in letters to the press, or in books, articles or leaflets, or in any other media that is in the public domain.
- e) canvassing on behalf of candidates for local authorities, Parliament or the European Parliament or on behalf of a political party.

### Staff are permitted to undertake political activities as follows:

- a) staff in the grade of Audit Manager/Band 1 and above may not engage in national political activities of any nature. They may engage in local political activities, but only with the express written permission of the Director of Human Resources.
- b) staff below the grade of Audit Manager/Band 1 may be permitted to engage in national and local political activities, but only with the express written permission of the Director of Human Resources.
- c) staff who are permitted to take part in politics must observe the Official Secrets Acts, 1911 and 1989, and are barred from political activity while on duty or on official premises.

**4.4** In seeking written permission from the Director of Human Resources staff should give precise details of the intended activities and the period over which the activity is likely to take place. This information will assist the Director of Human Resources in determining whether the impartiality of the Office might be compromised.

**4.5** If any conflict of interest or potential damage to the interest of the NAO arises from staff involvement in approved political activities, they will be required to withdraw their participation. Failure to do so may result in the Director of Human Resources applying formal disciplinary procedures or other appropriate action.

When political activity has been sanctioned, this should not take place in official time. Nor should staff make any reference to their employment by the National Audit Office when speaking in public, except in situations where they are required by legislation to declare an interest.

**4.6** These measures are not intended to discourage staff from participating in such public service activities as school governorships, approved Non-Executive Directorships, or taking part in Trade Union work. The touchstone in these areas, as in all other activities, is that staff should avoid any possibility that their activities might embarrass the C&AG or call into question the impartiality of the NAO. If staff have any doubts they should consult the Director of Human Resources.

## 5 Conflicts of Interest

### General

**5.1** Those working in the public sector will from time to time find that private matters will impinge on their public duties. It is, of course, not appropriate for an individual to use his/her public position or resources to deal with private matters or to pursue private interests. Staff should declare any private interests relating to their public duties and take steps to resolve any conflicts arising, in a way which protects the public interest. Staff concerned about compliance issues should consult the Director of Human Resources if they require additional guidance.

**5.2** In the course of their work it is essential that staff avoid any suggestion of nepotism or favouritism in their dealings with colleagues, clients or other contacts. This applies to the whole range of work activities, but the key areas are recruitment, tenders, contracts and staff appraisal. In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, choices should be based purely on merit.

**5.3** Conflicts or potential conflicts of interest can, and do, arise in our work. The main areas are likely to be:

### Private occupations

**5.4** Staff must not carry out any work which might conflict with the interests of the NAO or be inconsistent with their position

**5.5** Specifically, staff may not, subject to certain exceptions to be agreed by the Director of Human Resources, take part in any outside activity which would require their attendance during their normal office hours. (The exceptions might include, for example, service as a Justice of the Peace, school governorships, or approved Non-Executive Directorships). Further guidance is set out below but if staff are in any doubt they should seek approval from the Director, Human Resources in advance of beginning the work.

**5.6** Staff should consult the Director of Human Resources if they are offered payment for work which relates to their official duties, or is carried out in official time. Any fee or payment for private work must be surrendered to the Office if the preparation or execution of the work is undertaken in official time, as should any fees for speeches or lectures given in an official capacity. Any travel, accommodation or meals provided in connection with such events must be reasonable in the circumstances.

**5.7** Staff are permitted to write or contribute to books or articles that are not related to the work of the NAO. Their content must not call into question the integrity, objectivity or impartiality of the Office or the C&AG. Such activities should be conducted entirely in the individual's own time and staff should make no reference to their employment by the NAO. Any fee or payment for such work can be retained by the individual, but must be notified in writing to the Director of Human Resources.

**5.8** Staff are permitted to write or contribute to books or articles related to the work of the NAO provided that this is discussed and agreed with their line manager and the Board Member responsible for Corporate Affairs. If approved, this discussion should include whether any fee payable for the work may be retained by the member of staff. The payment can normally be retained as long as staff can show that the work has not been undertaken during official hours.

**5.9** Where staff, their immediate or close family members, or others with whom they have a close personal relationship have business relations with an audited entity these must be declared, except where they:

- a) involve the purchase of goods and services from the audit firm or the audited entity in the ordinary course of business and on an arm's length basis and which are not material to either party;
- b) are clearly inconsequential to either party.

Similarly staff should also make a declaration where they, their immediate or close family members, or others with whom they have a close personal relationship have any relationships with employees of bodies they audit which might impinge on their responsibilities and duties as auditors. Declarations should be made to the Project Director who will take appropriate actions. Declarations by Project Directors should be made to the Director of Human Resources in his capacity as the NAO's Corporate Compliance Officer.

**5.10** No restriction is placed on paid part time employment or other paid activities outside official hours provided that official work does not suffer and there is no risk of it bringing discredit upon the Office. However, staff proposing to undertake outside employment should obtain the consent of the Director of Human Resources if it:

- a) Is employment or activity as an auditor, accountant or book-keeper;
- b) Involves the use of official information acquired in the course of official duties;
- c) Is employment, or activity, for anybody to which the NAO may award business or contracts.

The working hours of the proposed employment, when aggregated with the working hours of NAO employment, are likely to exceed 48 hours per week.

## Shareholdings

**5.11** Staff may hold private investments. They should not, however, hold or deal in shares when they are in a position to gain information through their position with the NAO which might affect the value of such shares. If staff hold shares which might raise a question of possible conflict with the interests or independence of the NAO they should declare the holding immediately to the relevant Project Director. Examples of where conflicts exist are when an individual:

- knows of a large government contract to be placed with a public company;
- has privileged information about a future privatisation;
- knows of planned actions which might affect a company's prospects;
- has shares in a privatised company and audits that company or the regulator.

**5.12** The Project Director will decide whether the individual's financial interest in a company might exert undue influence on his/her judgement, and, in conjunction with the Director of Human Resources, will determine the appropriate course of action. A record of this decision must be kept by Human Resources.

**5.13** Staff are reminded of their legal responsibilities under the Criminal Justice Act 1993 which states that "An individual who has information as an insider is guilty of insider dealing if he/she deals in securities that are price-affected securities in relation to the information". Further, the Financial Services and Markets Act 2000 provides that the misuse of inside information and market manipulation are criminal offences. The misuse of any information that may affect the value of shares or dealings in shares at certain times may therefore be a criminal act.

## Relationships with contractors

**5.14** Contracts must be awarded on merit in fair competition against other potential suppliers (see Finance Manual Section G – General Principles of Procurement of Goods and Services). Staff who have any personal or domestic relationship with potential suppliers must report the fact to the Director of Human Resources and must not have any involvement in the letting of contracts for which such suppliers might bid.

**5.15** Staff must declare any investment interests they hold with suppliers or consultants with whom they might deal. Where conflict might arise the individual should dispose of his/her investment or ensure that he/she plays no part in awarding the contract or selecting consultants.

## 6 Gifts, Hospitality, Travel and Accommodation

### General

**6.1** The NAO engages with a wide variety of clients, suppliers and partner bodies in the normal course of its business and staff may be faced with occasions where gifts or hospitality are offered or provided. Offers of gifts, hospitality, entertainment or services should not be accepted where they might place, or be seen to place, the recipient under an obligation to the donor or compromise their personal or professional judgement.

**6.2** The Bribery Act 2010, which came into force in July 2011 aims to promote anti-bribery practices among businesses and repeals the Prevention of Corruption Act 1916. The Act defines bribery as: offering (promising) or receiving (requesting) a bribe in return for breach of expectation or improper performance and sets out four criminal offences, namely: bribing another person; being bribed; bribery of a foreign public official; and failure of a commercial organisation to prevent (a bribe). The new legislation raises the maximum penalty for bribery by individuals from seven to ten years' imprisonment and further guidance is provided in PC 01/11.

### Gifts

**6.3** Staff may accept gifts in the form of: business items of token value (for example, placemats or calendars); items provided at conferences or related events (for example, pens and wallets), and occasional tokens of thanks/appreciation (for example inexpensive chocolates or single bottles of wine). These items need not be recorded. All other gifts may not be accepted, but their receipt must be recorded in the Office's Gifts & Hospitality Register (using the form available from the HR pages on Merlin) and either returned to the donor organisation or, if return is not practical or might cause offence, surrendered to the Director of Human Resources who will arrange for the item to be donated for charitable purposes.

### Hospitality

**6.4** Staff are permitted to accept hospitality which is provided in the normal course of business and could reasonably be reciprocated by the NAO. This includes working lunches or dinners, providing these cover a business agenda. The standard of hospitality should be no more than that which might reasonably be offered by the NAO in return. All working lunches or dinners provided off client premises must be recorded on the gifts and hospitality register.

**6.5** A key principle of accepting such hospitality is that there should be a balance of hospitality received and hospitality given. Staff should, therefore, be careful not to accept hospitality where an appropriate balance is not maintained.

**6.6** Staff may also accept invitations to events where they are representing the NAO in an official or professional capacity. This includes invitations to business dinners and events such as awards ceremonies where the NAO has been nominated for an award, is judging an award or is acting as a sponsor. In considering whether an invitation should be accepted account should be taken of the level of attendance of NAO colleagues to ensure that their attendance is reasonable in the circumstances. Events which include some form of entertainment can be accepted providing the entertainment forms an intrinsic part of the event. Attendance at all such dinners, ceremonies or events must be recorded on the gifts and hospitality register.



**6.7** Staff must not accept any invitation to any event or offer of corporate hospitality where attendance would normally be subject to payment of a fee. This includes invitations to art exhibitions, sporting or cultural events, charity dinners and hotel accommodation.

### Travel and Accommodation

**6.8** Staff have a responsibility to ensure that any travel or accommodation for business purposes is reasonable in the circumstances and would not expose the individual or the NAO to public criticism. Full details of the rules relating to travel and subsistence are contained in the Office's Travel Guide. Other than in specific defined circumstances all travel and accommodation bookings must be made through the Office's travel management company.

**6.9** Staff and their line managers will be responsible for judging the travel and accommodation appropriate to the particular business need, but should be mindful at all times of the need to balance issues such as safety and security with economy. All staff are expected to travel standard class. Any variation to this requires the prior approval of the Director responsible for the job and must meet the strict criteria set out in the NAO Travel Guide. Standards of accommodation should likewise be adequate for the purpose and appear reasonable to an informed external commentator.

**6.10** Any benefits earned through NAO business travel, such as air miles must only be used to reduce the costs of future business travel and must not be used for private purposes.

**6.11** Where staff accept travel and accommodation arranged by their hosts (for example international bodies) they should review the itinerary in advance to ensure that the standards offered are compatible with NAO standards. Where the itinerary indicates that the standard offered is significantly different to that appropriate under NAO rules and there is a suitable alternative, staff should consider declining the offer and making their own arrangements.

**6.12** Subject to considerations of practicability and security, the Office places no restrictions on the freedom of staff to be accompanied by partners at their own expense providing no extra cost falls to the Office. The Office does not, however, recognise any representational or other reason for partner-accompanied travel at public expense, and it accepts no liability for loss or damage suffered by any accompanying persons not required for NAO business, unless such liabilities have been explicitly accepted (for example, where there is a long term residential commitment). Partners travel entirely at their own risk.

**6.13** Staff must obtain prior approval from their project Director (or AAG/Chief Operating Officer for Directors and AAGs) for all international travel and associated work programmes. Managers should be informed of all the relevant details of a trip before it is approved, including if the member of staff will be accompanied by their partner or if there are plans to extend the trip beyond the time necessary for the visit's purpose. Managers should have regard to this information, as to the destination, duration and intensity of the proposed programme, in assessing the business case and motivation for the proposed travel. The overriding need is to protect the good name of the Office; and a key test of decisions by authorising managers will be that criticism of the Office is avoided or, if it occurs, can in the judgement of the Audit Committee, be effectively rebutted.

## 7 Personal Conduct

### General

**7.1** Staff should always maintain the highest standards of personal conduct. The Office is concerned only with the private and personal activities of staff which impinge on the performance of their duties or risk bringing discredit to the Office. Particular difficulties may arise in the following areas, either in the course of undertaking official duties or outside the Office:

- a) staff should not participate in activities which might severely damage their financial standing. Staff who become bankrupt or insolvent, or who experience significant financial difficulties, must immediately report the fact to the Director of Human Resources. They will be required to give a full statement of their case to establish whether their position is likely to prejudice the proper and effective performance of their duties.
- b) staff should adopt high standards of personal discipline, and avoid any forms of over-indulgence or addiction, which may adversely affect their conduct or impair the performance of their official duties.
- c) staff should discuss with their immediate manager or senior manager any personal or domestic relationships with NAO colleagues where that relationship may impinge on their duties and responsibilities to ensure that the allocation or routing of work avoids potential conflicts. A record of the discussion and resulting decision must be sent to the Director of Human Resources.
- d) staff should not make use of their official position to further their private interests.
- e) staff should inform the Director of Human Resources in the event that they are or ever have been refused or restricted in the right to carry on any trade, business or profession for which a specific licence, registration or other authority is required. Staff subject to a court order instigated by a regulatory body, or subject to official enquiry by a financial, professional or other business authority should also disclose it.
- f) staff should report the results of any disciplinary procedures or reprimands issued by professional bodies. Staff investigated by their institute for allegations of misconduct or malpractice should also make the existence of these investigations known to the Director of Human Resources.
- g) staff must make no public comment about the National Audit Office or its work without prior approval from the Board Member responsible for Corporate Affairs.

### Reporting of arrests or convictions or court judgements

**7.2** Staff must inform the Director of Human Resources if they are arrested and refused bail, or if they are convicted by a court of any criminal offence (except a traffic offence with a non-official vehicle, for which the penalty does not include imprisonment or disqualification from driving). Staff are also obliged to report any civil actions they are subject to as a result of professional or business activities where a court has found against them.

**7.3** Staff should also inform the Director of Human Resources if they are subject to: a judgement by a UK court about a debt (including Child Support Agency orders and non-payment of Council Tax); an attachment of earnings order; if they are declared bankrupt or served with a bankruptcy petition; or if they enter into compromise arrangements or trust deeds with creditors.

### Use and control of public funds and assets

**7.4** Staff should use public assets efficiently and effectively for legitimate business purposes. This applies to the use of all Office equipment including, for example, telephones, computers and photocopiers, although occasional use of such facilities for private purposes is permissible where the costs are trivial. In addition, staff must comply with Office rules regarding expense claims, imprests and the recording of absence.

### Prevention of fraud

**7.5** All staff have a personal responsibility for handling public assets with probity. They also have a responsibility for reporting immediately to their line manager, or other appropriate person, any suspected fraud by their colleagues, contractors or suppliers.

### Employee relations

**7.6** The NAO is subject to UK and European employment legislation, and it aims to comply with the spirit as well as the letter of relevant Acts and Directives. Staff should, therefore, be aware of their responsibilities in the following areas:

- a) **Discrimination:** Staff should not discriminate unfairly on the grounds of ethnic or racial origin, disability, religion, age, sexual orientation, gender, part time/ full time status, marital status or trade union activities.
- b) **Harassment:** Harassment may take many forms, including victimisation, bullying, and physical or verbal abuse as well as less obvious actions such as ignoring a colleague, showing unwanted attention or making inappropriate personal remarks. It may occur in the Office, or, when work takes staff away from home, outside normal working hours. All forms of harassment are unacceptable and will not be tolerated in the NAO.
- c) **Health & Safety:** The Office's Health and Safety Policy makes clear that all staff have a personal responsibility, so far as is reasonably practical, both for their own health and safety at work and for ensuring that they and their colleagues do not put the health and safety of others at risk. In completing the Code of Conduct return, staff are confirming that they have read and understood the NAO's Health and Safety Policy, including the advice on display screen equipment and manual handling, and the ITRC Remote Working Reference Guide and agree to abide by these its provisions.

## Annex 3d: Code of conduct (NCA)

Dear colleague,

Our mission states clearly that: 'The Netherlands Court of Audit aims to audit and improve the (...) integrity of the State and associated bodies'. If we want to do this properly, our own integrity must be beyond reproach. We want to be an example to those around us, particularly regarding our unique statutory position and remit. This requires a particularly high standard of care and transparency in all our actions and dealings. This code of conduct is an important instrument for strengthening our integrity.

The code contains eight values to help you in your own considerations of how to treat each other and people outside the organisation. Acting with integrity is not just the responsibility of each individual employee, but also of the organisation as a whole. The organisation is responsible for providing us with a safe working environment in which we are protected as far as possible from integrity risks.

We have chosen to use soap bubbles as a symbol for integrity. They are transparent, light and beautiful to look at, but also vulnerable: you have to keep blowing new bubbles. And this applies to our integrity as well. It is a great ambition, but it is something we have to keep working on. For this reason, this code of conduct will only become meaningful if we really operate according to the values it contains, if we continue to talk about them and are willing to be confronted with them and to confront others where necessary.

Ellen van Schoten

Secretary-General, 12 November 2009

## I am professional

### I am answerable for the quality of my work

Our work is aimed at improving good governance. We aim to make a creative, realistic and solid contribution to public administration. At the same time, we are aware of social and political developments.

This creates high expectations in parliament, the public and the press. So our work has to meet high quality standards. We maintain the knowledge and skills needed for our work and we share them with each other. Our dealings and audit opinions are made with consistency and integrity. We meet the same standards that we set for others. Peer review is an integral part of our working methods. We take relevant national and international regulations and standards into account in our own procedures and regulations.

We treat the auditees and their data with due care and respect. We use clearance procedures and draw up balanced reports.

We offer auditees a realistic opportunity to express their view of our working methods, standards and opinions, so that we can involve them in our choices in the audit.

**Your audit manager is fully persuaded that he has found a case of abuse of public money. You are not convinced there is any evidence of this, and feel your audit manager is just trying to score and make himself look good. You brought this up in the team meeting but nothing is being done about it. What do you do?**

## I am independent

### I avoid any conflict of interests

Our independence needs to be completely beyond doubt. This is particularly important with regard to our independence from those around us (such as auditees, political parties and academic institutions, as well as family and friends). This means that we cannot take on any external positions that may interfere with the proper carrying out of our main tasks.

Neither do we accept any large gifts or favours, as this may influence our decision and judgement. In addition, we do not use any information gathered in the process of our work for private gain. We behave in such a way as to guarantee our independence and we avoid any appearance of a conflict of interest both inside and outside the organisation.

**You work for the division that audits the Ministry of Education. Your newly graduated daughter gets a job at this Ministry.**

**Do you raise this issue with your division manager?**

## I am objective

### I work without prejudice

We approach the organisations that we deal with without prejudice. Our findings, conclusions and recommendations are based on our investigations and do justice to the facts. We treat equal cases equally.

**You and your audit team are consulting with the Member of the Board about the message to the minister of a report. The Member of the Board wants to deliver a wider and more politically charged message than you feel can be justified on the basis of the audit findings.**

**Do you confront the Member of the Board with this? If you do and if you – to your regret – do not succeed in convincing him or her, do you communicate your disappointment and to whom?**

## I am trustworthy

### I work transparently and I keep all agreements made

We are clear and consistent in our dealings with the people and organisations we meet in the course of our work and we apply the rules of fair play. We keep all agreements we have made with them. We are also open and honest in our dealings with each other, we keep to the agreements that have been made, give each other room to share our opinions and take each other seriously.

Among ourselves, we treat information in such a way that it will not cause unnecessary harm to the other's interests. We do not disclose confidential information. We make it clear to our interlocutors that we are open to responses to our actions, and we tackle each other on this.

We are transparent to the outside world regarding the background, nature and approach of our work, the standards we apply, the results obtained and the way responses are processed. In this way, we want to prevent auditees and other stakeholders from receiving any unpleasant surprises.

**Your audit manager asks you to do him a favour and write off some extra hours to the project in the time registration system. This is because there are quite a few project hours unused this year, and the audit manager wants to avoid having to make do with fewer hours next year.**

**Do you do him that favour?**

## I show respect

### I accept differences in thinking and behaviour

We demonstrate awareness of the views and characteristics of others and respect these wherever possible. We treat others with the same respect we would like to be shown ourselves. We do not tolerate any form of discrimination or any other undesirable behaviour such as bullying, intimidation or ignoring. We listen to each other actively and treat each other politely and decently.

**At a party, you hear two people talking at length about abuses at their place of work, the ministry you are auditing. You hear a great deal of cynicism, but also a lot of details about mismanagement, dissipation of funds and tasks being carried out unprofessionally.**

**What do you do?**

## I am a good colleague

### I contribute to a pleasant working atmosphere

A pleasant working atmosphere is good for an optimally performing organisation. This means being open in our communication, working together well and helping each other. There needs to be room for personal development within the Court of Audit. This also means that there is room to make mistakes and to learn from them.

**Your audit manager asks you to do something and says he is asking you because the other team members are no good.**

**What do you do?**

## I work economically

### I use public money carefully

We are conscious of the fact that our work is paid for from public funds. We are loyal to the policy of our organisation and only use time, facilities and materials as appropriate within the context of our work.

**You come across a large pile of colour prints of your colleague's holiday photos lying on the photocopier.**

**Do you say anything about this?**



## I work sustainably

### I treat people, planet and profit conscientiously

In our own organisation, we do not just bear in mind the implications of our work for the 'here and now' but also the consequences for 'elsewhere and later'. This means that we use natural resources carefully and we use sustainable and fair-trade products.

**A ministry has published a bulky policy document, but it is only available in digital form. Yet again, you notice that a colleague has printed the document one-sided, even though the standard printer setting is to print double-sided.**

**What do you do?**

### How should you use this code of conduct?

The code of conduct indicates how the Court of Audit wants to carry out its work in accordance with its mission.

- This code contains eight values, the importance of which is underlined by everyone in the organisation, including contract staff and trainees. It is crucial that we do all we can to put these values into practice in our daily work, and that we communicate openly with each other if we have any questions about how to apply these. Openness and discussion give us the opportunity to clarify and supplement these values where necessary. In order to keep compliance with the code alive and relevant, it will be addressed when new employees start work, (as part of the introduction programme and when taking the oath or promise), at the start and evaluation of a project, in employee performance sessions and, if applicable, during exit interviews.
- This code of conduct has been checked for compatibility with the Netherlands Model Code of Conduct for Integrity in the Public Sector (Ministry of the Interior, March 2006), the INTOSAI Code of Ethics (1998), the Mexico Declaration on SAI independence (ISSAI 10, 2007) and the General standards in government auditing and standards with ethical significance (ISSAI 200, 2001)

## Addressing dilemmas.

The dilemmas in this code of conduct are examples of situations you might encounter in your daily work. There is no single correct answer for most of these dilemmas. The examples are primarily meant to set you thinking about integrity and what this means in practice.

If you come across any integrity dilemmas in your work that you can't find an answer for in the code of conduct, you should discuss them with your colleagues or manager or – if they are not an option – with one of the confidential advisors on integrity.

You can talk to the confidential advisors on integrity about any integrity-related questions. The confidential advisor can tell you about integrity and how to operate in it. By acting as a sounding board, he can advise you on your own behaviour.

Have you seen or do you suspect an abuse, such as theft or the passing on of confidential information, which you do not want to report directly to your manager? Then you can ask one of the confidential advisors on integrity for advice. The confidential advisor helps you take further steps or makes sure that the report reaches the right people. A confidential advisor also has an important warning role in the direction of management. All confidential advisors on integrity work on the basis of anonymity and in confidence.

If you are a victim of undesirable behaviour, you can go to the confidential advisor on undesirable behaviour for (emotional) support. Undesirable behaviour includes any form of discrimination or any other undesirable behaviour such as bullying, intimidation or ignoring. The confidential advisor can advise you and help you find a solution. This will always take place in consultation with you. The confidential advisor can also help you to report a punishable act or to file a formal complaint to the complaints committee for undesirable behaviour. All confidential advisors are independent and treat all information in strictest confidence.

## Annex 3e: IntoSAINT tool (NCA)

### IntoSAINT: A Tool to Assess the Integrity of Supreme Audit Institutions

#### Introduction

SAINT stands for Self-Assessment INTEgrity. It is a tool developed by the Netherlands Court of Audit in cooperation with the Ministry of the Interior and the Bureau Integrity of the city of Amsterdam. SAINT enables public sector organisations to assess their vulnerability and resilience to integrity violations. SAINT also yields recommendations on how to improve integrity management. SAINT is a self-diagnosis tool presented as a (two-day) workshop for a group of participants from the assessed entity.

SAINT was originally designed for public sector organisations in general, but it has been customised to meet the specific needs of Supreme Audit Institutions (SAIs). This particular version of SAINT is available for members of Intosai and is called 'IntoSAINT'.

The self-assessment takes place in an structured **two-day workshop**, moderated by a trained facilitator. The instrument is targeted at **corruption prevention** and leads to management recommendations to support the integrity of the organisation.

It is a **'qualitative tool'** that enables the user to design a tailor made integrity policy and at the same time increases the integrity awareness of employees.

IntoSAINT has been piloted in 6 different countries: South Africa, Finland, Ghana, Indonesia, The Netherlands and Yemen. The workshop methodology is now available to all INTOSAI members, provided they participate in the resource pool of facilitators, co-operate to improve this instrument and exchange experiences systematically on an voluntary basis.

#### The Concept of Integrity

Integrity is not a simple concept to define. Many overlapping and distinct definitions are used. The term integrity is derived from the Latin in-tangere, meaning untouched. It refers to virtue, incorruptibility and the state of being unimpaired. Integrity is closely related to the absence of fraud and corruption, but it also entails common decency. In this context, it is a positive and broad concept related to ethics and culture. The SAINT tool also uses a broad and positive definition of the term integrity.

Integrity means more than simply observing rules and laws. The law provides a lower limit and a minimum moral starting point. An integrity policy calls for a combination of repression and prevention. On the one hand, an organization must adopt measures to take if its staff act inappropriately (repression). On the other, it must do all it can to remove temptations that might induce civil servants to act inappropriately (prevention). Priority should be given to prevention. Not only is it more effective, but on balance the investment is many times smaller than the cost of repairing damage caused by inappropriate behaviour.

## Basic Principles of IntoSAINT

- **Self-assessment:** SAINT is a self-assessment tool. The organisation itself must take the initiative to test its integrity. Thus, the assessment draws on the knowledge and opinions of the staff. The organization reveals its own weaknesses and the staff make recommendations on how to strengthen resilience.
- **Targeted at prevention:** The self-assessment tool is targeted at prevention. It is not designed to detect integrity violations or to punish (repress) unacceptable conduct but to identify the main integrity weaknesses and risks and to strengthen the organization's resilience in the face of those weaknesses and risks.
- **Raising general integrity awareness:** The IntoSAINT workshop significantly increases awareness of integrity. The participants' collective discussions about the importance of integrity are of great value.
- **Learning to think in terms of vulnerability and risk:** The IntoSAINT workshop teaches the organization how to think in terms of vulnerability and risk. During the workshop, the participants identify the main vulnerabilities and risks and then make recommendations on how to minimize them.
- **Concrete management report/action plan:** The end product of the IntoSAINT workshop is a concrete management report/action plan. Under the expert leadership of a trained moderator, the participants formulate recommendations for their own organization. The report explains to management where urgent measures must be taken to strengthen the organization's resilience in response to integrity violations.

## Outline of the IntoSAINT Workshop

IntoSAINT is a self-diagnosis tool that is presented in a 2-day workshop. The assessment methodology consists of five separate steps:

### a) Analysis of object and its processes

The first step is to define the object of the assessment and to analyse the relevant processes. The object may be the entire SAI or organisational entities of the SAI. For the selected object a list of primary, secondary and management & control processes has to be drawn up. The quality of the list will determine the further course of the assessment. As well as being complete, the list must indicate the processes so that they are recognised and understood without being overly detailed. Cryptic names lead to uncertainty and should be avoided.

## b) Assessment of vulnerabilities

In this step, an estimate is made of the vulnerability, i.e. the potential exposure to integrity violations, of the processes named in step (a). This step consists of four sub-steps:

- 1 relating the list of processes to an overview of processes in the public sector that are known to be vulnerable to breaches of integrity;
- 2 considering the presence or absence of vulnerability enhancing factors;
- 3 producing an overview and overall assessment profile of the perceived vulnerability.

In more detail, this step consists of two sub steps:

### Inherent Vulnerabilities

The characteristics of a vulnerable process are known from both research literature and practice. They are summarized below:

<b>Vulnerable areas /activities /actions</b>		
Relationship of the entity with its environment	Contracting	procurement, tenders, orders, assignments, awards
	Payment	subsidies, benefits, allowances, grants, sponsoring
	Granting/Issuance	permits, licenses, identity cards, authorizations, certificates
	Regulating	conditions of permits, setting standards/criteria
	Inspection/audit	supervision, oversight, control, inspection, audit
	Enforcement	prosecution, justice, sanctioning, punishment
Managing public property	Information	national security, confidential information, documents, dossiers, copyright
	Money	treasury, financial instruments, portfolio management, cash/bank, premiums, expenses, bonuses, allowances, etc.
	Goods	purchasing/selling, management and consumption (stocks, computers)
	Real estate	buying/selling

Processes that have one or more of these characteristics are vulnerable to integrity violations. The left-hand column contains two characteristic elements for assessing vulnerability. Processes in which there is intensive contact with “clients” are more vulnerable to violations because there are more opportunities and temptations. The same is true of processes that involve valuable public assets. Participants match the activities of their organization with the vulnerable activities on the list to see if they are relevant. This way they get a first indication on the inherent vulnerability of the organization.

### Vulnerability enhancing factors

In addition to the vulnerability caused by characteristics of a function or process, certain circumstances can increase vulnerability. Examples of factors that increase vulnerability are listed below:

<p><b>1 Complexity</b></p> <p>Innovation/advanced (computer) systems  Complex legislation  Special constructions (legal/fiscal)  Bureaucracy  Networks of relations  Lobbying  Political influence/intervention/assignments  Mix of public-private interests (commerce/competition)  Need for external expertise</p>
<p><b>2 Change/Dynamics</b></p> <p>Young organisation  Frequently changing legislation  Strong growth or downsizing  Privatisation/Management buy-out  Outsourcing  Crisis (reorganisation, threats with huge impact, survival of the organisation or job at stake)  External pressure (pressure on performance, expenditure, time, political pressure, shortages/scarce resources in comparison with duties)</p>
<p><b>3 Management</b></p> <p>Dominant  Manipulative  Formal/bureaucratic  Solistic operation  Remuneration strongly dependent on performance  Lack of accountability  Ignoring advice/signals  Defensive response to criticism or complaints</p>
<p><b>4 Personnel</b></p> <p>Work environment/Loyalty  Pressure on performance/income dependent on performance  Low status / lack of esteem/low rewards/low career prospects  Poor working conditions/High workload  Group loyalty  Power to obstruct  Individual  Having other interests (side jobs etc.)  Personal debts  Lifestyle (overspending)  Personal secrets (vulnerable for blackmail)  Personal threats  Addictions (alcohol, drugs)</p>
<p><b>5 Problem history</b></p> <p>Complaints  Gossip and rumours  Signals/whistle blowers  Earlier incidents (recidivism)  Administrative problems (backlogs, inconsistencies, extraordinary trends etc.)</p>

While the factors above are not integrity risks in themselves, they can increase vulnerability because they increase the probability of a violation occurring and the consequences (impact) of a violation.

Using the knowledge about vulnerabilities and risks, the participants analyze the main integrity risks.

### c) Assessment of the maturity of the integrity control system

In this step the participants assess the maturity of the integrity measures that together form the organisation's integrity control system. The system is divided into 16 clusters, with the clusters being subdivided into three blocks (general, hard and soft controls). This module consists of the following steps:

- 1 brief introduction to the integrity control system, made up of measures, clusters and categories;
- 2 brief introduction to the maturity levels;
- 3 assessment of the maturity level of all the measures by awarding them points;
- 4 summary of the scores to produce an average per cluster and block; this shows which clusters and blocks are relatively robust or weak.

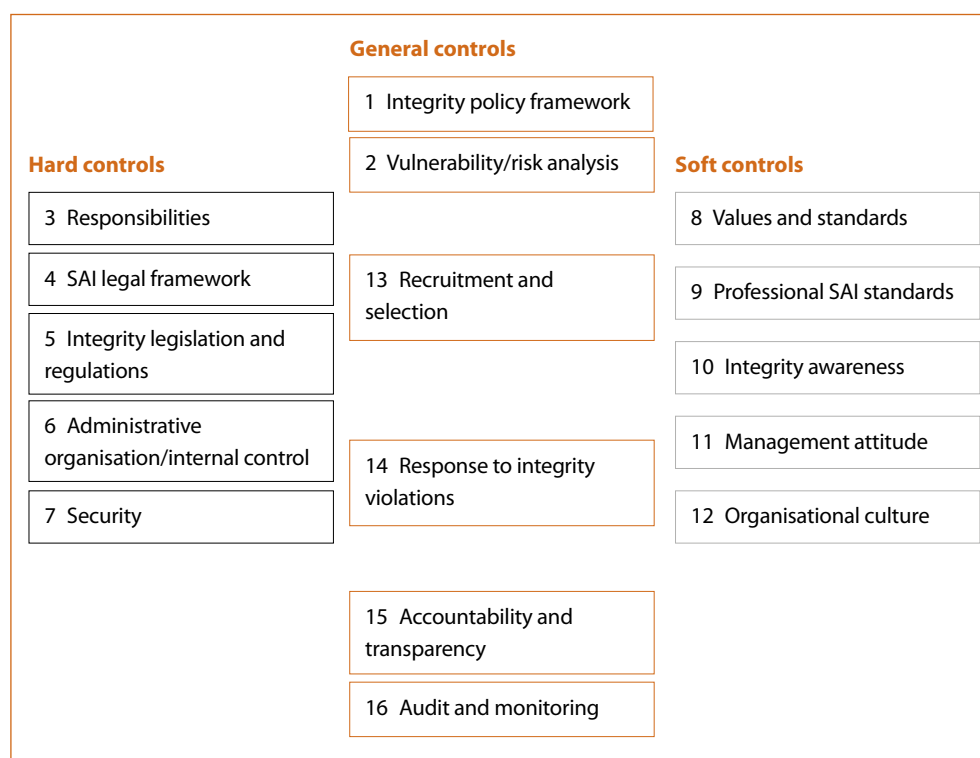
A key element of this methodology is the assessment of the "maturity level" of the integrity control system.

#### The Integrity Control System

The integrity control system is the body of measures in place to promote, monitor and maintain integrity. From the many measures known from the literature and practice a keenly-balanced set, has been composed to serve as reference for this assessment method. This set of controls also takes the International Standards for Supreme Audit Institutions (ISSAI) into account, as far as ethical components are involved.

The organisation's integrity control system is described using an extensive set of integrity measures divided into three main groups (general, hard and soft controls) and 16 clusters.

The clusters are shown in the model below.



The **hard** controls, as the term suggests, are concerned chiefly with regulations, procedures and technical systems. The **soft** controls are designed to influence behaviour, working atmosphere and culture within the organisation. The clusters in the **general** controls category are more wide ranging or have a mix of hard and soft elements.

### Assessment of the maturity levels

The maturity level assessment of the integrity control system provides an insight into the resilience the organisation has already built up to integrity violations.

In an ideal situation, the maturity level is based on:

- the presence of measures;
- the quality and suitability of the measures and their design;
- communication of the measures and the staff's awareness of them;
- the acceptance of the measures;
- the embedding of the measures in the planning & control cycle;
- the quality of the measures' implementation and enforcement;
- the supply of information and accountability for the implementation and effect of the measures;
- the evaluation and, where necessary, revision of the measures.



It would be too complex to include all these elements separately in the assessment method. Therefore a relatively simple method has been designed for scoring the maturity level:

<b>Level</b>	<b>Criteria</b>
0	The measure does not exist
1	The measure exists The measure is not implemented/not observed
2	The measure exists The measure is implemented/observed The measure is not effective
3	The measure exists The measure is implemented/observed The measure is effective

#### d) Gap analysis

This module reveals the link between the vulnerabilities (b) and the maturity level of the integrity controls (c). The analysis should clearly show the remaining vulnerabilities after the confrontation of vulnerabilities with the relevant control measures in the integrity control system. The gap analysis may be extended to the level of specific risks per vulnerable process, to provide more detailed recommendations to management.

After completing the assessment of vulnerabilities and the maturity level of the integrity control system, it becomes possible to analyse whether the existing system of controls is more or less in balance with the level of vulnerability of the organisation and its processes. If both levels are not in balance, there is a gap, usually indicating that the integrity control system needs strengthening.

Organisations may cope with vulnerabilities in different ways. First of all they may try to eliminate or reduce vulnerabilities by avoiding vulnerable activities. Sometimes it is possible to conduct activities in a different way thereby eliminating activities that are vulnerable to breaches of integrity. This means that the organisation is able to address the origin of the vulnerability. In practice however this may be difficult. Public organisations have legal obligations and cannot avoid engaging into sensitive activities.

Usually a more viable way to cope with vulnerability is to design and implement compensating (integrity) controls. Depending on the 'maturity level' of the integrity control system the organisation is more or less resilient to the vulnerabilities it is facing.

### e) Management report and recommendations

This module reveals the link between the most vulnerable processes (1c) and the measures (2). The central question is which measures are the most appropriate to make the most vulnerable processes more robust. Subsequently, the participants are asked to suggest how the organization can improve and implement the most important measures. These suggestions form the building blocks for the management report and action plan.

#### Roll-out of IntoSAINT

The results from the Into SAINT pilots are very promising. We believe sharing and explaining the concepts of SAINT may be beneficial to other INTOSAI members. We also believe that widespread use of SAINT among SAIs would make it possible to learn from others' experiences and would also facilitate further improvement of the instrument itself.

For additional information about SAINT, or if your SAI would be interested in pilot testing the tool, please contact the authors at [h.benner@rekenkamer.nl](mailto:h.benner@rekenkamer.nl) or [i.dehaan@rekenkamer.nl](mailto:i.dehaan@rekenkamer.nl).

# Annex 4a: Developing a competency framework (NAO)

## Introduction

A competency framework is a tool which SAls can use to:

- Clarify the standard of performance it expects from each of its staff;
- Inform discussions of performance and progress with managers;
- Identify strengths and areas for improvement of staff;
- Define staff development objectives and monitor progress;
- Identify relevant development activities to address the needs of staff;
- Assess and rate performance;
- Get the best from staff; and
- Inform consideration of potential for career progression and career development plans.

## How are competencies determined?

Competencies will differ from organisation to organisation depending on its values, on the field it is working in and on its stage of development. For these reasons a competency framework is usually developed by people within the organisation who know what the roles require. Development of the competencies through a focus group made up of key staff is particularly helpful as it is extremely important that the people using the competencies believe that they broadly reflect how they are expected to act. The competency framework used by the UK National Audit Office (see Figure x) has six generic competencies which, together with the technical skills required for the role or specialism (e.g. accountancy, statistics or IT systems), help define the behaviours staff need to demonstrate in their day to day work.

## An example of a list of generic competencies

### 1 Basic technical capability = Getting the Job Done

- Taking a planned approach to work
- Organising resources available to best effect
- Monitoring progress
- Producing quality work in accordance with all manuals and standards
- Displaying effective drive and resilience.

## 2 Analytical and methodological approach = Reaching the heart of the matter

- Using correct methodology relevant to work
- Analysing issues to an appropriate level
- Reaching sound judgements and opinions backed by sufficient evidence
- Making decisions SAls can defend in public.

## 3 Working as a member of a team = Getting the best from each other

- Treating people as individuals but encouraging their participation
- Working as a fully effective team member
- Leading others to deliver best quality work
- Encouraging others to develop.

## 4 Training and development = Developing yourself

- Developing yourself to improve continuously your performance
- Maintaining and updating professional and technical knowledge
- Ensuring innovation and continuous improvement

## 5 Communications = Putting the message across

- Presenting a confident and professional image
- Possessing a good standard of written and oral communications
- Working in partnership with others
- Working with clients

## 6 Motivation and Contribution = Moving SAls forward

- Understanding the context of your work
- Thinking strategically
- Leading people in challenging times

When developing and reviewing a competency framework for use within the SAI, the focus group should also consider the following questions:

- Does the competency framework provide a complete list of the competencies the SAI needs to fulfil its mission?
- Are there any competencies listed that are not required within the SAI?

Once an SAI has agreed its competency framework full training should be provided to staff on the framework and on its practical application within the activities of SAls. Without such training the competency framework will quickly gather dust and be seen as irrelevant.

## Annex 4b: How to get your competency framework right (NAO)

Many organisations develop a competency/behaviour framework with a view to managing performance and progression more effectively. However, many managers and individuals find it hard to use the framework to help achieve their goals and, therefore, the goals of the organisation.

The most common reasons for this are that people do not see the benefit of the framework and are not trained adequately; there are no clear links to what the business is aiming to achieve and many frameworks are a mix of different concepts which makes them unwieldy.

A competency framework should be a useful tool to help manage performance. If SAls adopts the above framework, or something similar, here are some simple steps it can follow to see if it is fit for purpose.

### 1 Communicate the purpose

The first thing is to find out if employees understand what the purpose is. If they do not understand how behaviours contribute to personal and organisational success, there is little point in updating or developing the framework.

Staff need to be informed why a competency framework is being introduced – for example, to help with culture change, performance management, recruitment or development. Make sure staff understand how the framework contributes to these.

If staff are not clear about this then SAls needs to find out what their challenges are and explain how the framework can help. If the framework does not help meet their challenges it is not fit for purpose – however perfectly constructed it is.

### 2 Identify key themes

Even if staff are clear about the purpose of the framework, it still needs to support the organisation's aspirations (goals, values, strategies). If people are not all working towards these aspirations then some individual efforts are likely to be diversions from organisational success.

Meet with key stakeholders (the people who have an influence on production or implementation); gather together all the documents that capture the organisation's aspirations and ask the team to identify key themes by asking them to consider questions such as: "What would people say about our organisation?" "What needs to change?" and "What are the challenges that lie ahead?" Key themes are likely to be things such as "listen to customers" and "look after staff".

Once you have the themes, check that the behaviours in the framework support them. All themes should be supported by some behaviours, and all behaviours should support some of the themes.

### 3 Get conditions right

The organisation's procedures need to support the framework, and the culture, resourcing and management structures must be supportive too. For example, if the performance management system focuses solely on the individual, then people are unlikely to display collaborative team-working behaviours.

Be realistic: if conditions inhibit behaviours then change the conditions or change the behaviours.

### 4 Tackle the root cause

As well as goals and conditions, behaviour is also influenced by underpinning characteristics (knowledge, skills and attitude). One underdeveloped characteristic, such as communication skills, can affect many different behaviours. If managers do not understand this distinction they may focus on trying to improve the behaviour without tackling the root cause. For example, someone who is not "planning the whole task to ensure effective implementation" (an example of a behaviour) may simply lack knowledge of the task and any training to correct this may be misdirected.

### 5 Keep it simple

There are two key elements to ease of use – language and structure. However perfect the framework, if it is too complicated, long or detailed it will not be used. The language has to be meaningful to the people who use it. This is partly why frameworks bought off the shelf do not work – because the language does not fit the culture of the organisation.

If the framework is too complex to be used effectively, it is possible that tasks (for example, "completes work records on time"), aspirations ("valuing diversity") and personal characteristics ("communication skills") become mixed in with behaviours. These are all valuable influences on performance but if they are mixed in with behaviour statements it makes the framework not only unwieldy but also confusing.

Exclude tasks (they belong in job descriptions), characteristics (these underpin behaviours) and aspirations (at organisational level these are value statements or organisational goals and at individual level they are personal goals). If you want to highlight the importance of characteristics then keep them in a separate part of the framework from the behaviours.

### 6 Train the users

Once the framework has been agreed everyone who uses it should be trained in how to use it. A framework is a tool and, as with any tool, if users do not know how to use it, it will fall into disuse or fail to meet its full potential.

## 7 Key points

- Behaviours contribute to personal and organisational success;
- Frameworks should be designed to ensure everyone works towards the same organisational aspirations;
- Culture, organisational structure and procedures should encourage the desired behaviours rather than inhibit them; and
- Aspirations, characteristics and conditions are separate from behaviours and people should know how to manage them.

# Annex 4c: Outline competencies for leaders (NAO)

## Leadership for results

### 1 Managing and Developing = Improving outputs through management

- Makes decisions sensibly and based on relevant evidence

### 2 Giving purpose and direction = Creating and communicating a vision of the future

- Develops a vision of how things could be better

### 3 Making a personal impact = Leading by example

- Leads teams by example and is considered by teams as a good leader

### 4 Thinking strategically = Harnessing ideas and opportunities to achieve goals

- Contributes to strategic development and strategic thinking

### 5 Getting the best from people = Motivating and developing people to achieve high performance

- Develops own staff through training and encouragement
- Gives open and honest feedback in assessments
- Thanks people when things go well

### 6 Learning and improving = Drawing on experience and new ideas to improve results

- Suggests ways to improve processes and results
- Takes calculated risk in the pursuit of innovation

### 7 Focusing on delivery = Achieving value for money and results

- Knows what needs to be done and ensures it is done
- Keeps on course to deliver



# Annex 4d: Outline competencies for support staff (NAO)

## 1 Expertise

- Job knowledge: understands and applies the principles and procedures required by the job;
- Able to correctly perceive, analyse and interpret situations;
- Responsibility/commitment ability to perform required job/task.

## 2 Building Trust

- Relationship with colleagues: cooperating with others to achieve tasks and set objectives.

## 3 Business Awareness

- Maintain a warm and positive attitude towards clients;
- Accomplishes appropriate amount of work. Efficient use of time.

## 4 Integrity

- Professional in appearance and manner;
- Being honest and upright in all dealings;
- Confidentiality: discrete with information;
- At work on time and maintains work schedule.

## 5. Achievement Orientation

- Quality of work: thoroughness, neatness and accuracy of work;
- Initiative: works independently, anticipates need and takes appropriate action;
- Dependability: takes instructions and follows through;
- Resilience: Ability to rise up to every occasion that is faced. Does not give up easily.

## 6 Innovation

- Creative/constructive power: talent for generating new ideas and finding better ways of doing things;
- Adaptability: able to anticipate and adapt to new ways of doing things.

## 7 Communication

- Good communication both oral and written.

## 8 Self-Development

- Drive: desire to achieve objectives set.

# Annex 4e: Using indicators to measure competencies

## 1 Basic Technical Ability = Getting the Job Done

### A Taking a planned approach to work

Effective Indicators	Ineffective Indicators
Knows what needs to be done and why, and ensures it is done	Does not clarify instructions and makes assumptions about required outputs
Identifies critical path, key priorities and realistic and appropriate deadlines	Deadlines set are vague or keep changing without good reason
Builds in contingency plans	Does not anticipate problems or have a Plan B
Keeps on course to deliver	Keeps going off on tangents

### B Organising resources available to best effect

Effective Indicators	Ineffective Indicators
Identifies in good time and thinks imaginatively about the people and other resources needed to deliver	Asks for cash funds and resources at the last minute, does not consult diaries
Acts promptly so that plans are put into practice	Delays getting on with priority work or avoids difficult tasks
Strikes the right balance between quality and detail; makes best use of resources available	Spends a disproportionate amount of time on trying to achieve perfection

### C Monitoring progress

Effective Indicators	Ineffective Indicators
Monitors progress and gives early warning of overruns	Identifies deadlines and cost overruns too late in the day
Evaluates outcomes against planned results	Thinks the job ends with delivery

### D Producing quality work in accordance with all manuals and standards

Effective Indicators	Ineffective Indicators
Keeps up to date with current standards	Complacent about existing standards
Refers to current standards when producing work	Draws on outdated techniques and standards

## E Displaying effective drive and resilience

<b>Effective Indicators</b>	<b>Ineffective Indicators</b>
Flexible in handling changing or conflicting priorities	Easily distracted by other work, loses sight of the objective
Resilient in overcoming obstacles or crises	Easily deterred by problems or allows quality of work to slip
Takes ownership of work	Relies on others to take the lead

## 2 Analytical and Methodological Approach = Reaching the heart of the matter

### A Using correct methodology relevant to work

<b>Effective Indicators</b>	<b>Ineffective Indicators</b>
Draws on current methodology	Uses outdated methodology
Keeps up to date with technical developments	Has little interest in maintaining or developing technical skills

### B Analysing issues to an appropriate level

<b>Effective Indicators</b>	<b>Ineffective Indicators</b>
Clarifies the purpose of the analysis or the complexity of the problem	Anticipates a solution in defining the problem
Seeks all relevant information and asks pertinent questions	Does not appreciate the need to verify the adequacy of data before use
Detects trends or links cause and effect	Misinterprets data
Picks up discrepancies and inconsistencies	Misses inconsistencies and gaps in knowledge
Expects and reflects views from the perspective of all those involved and appreciates political and other sensitivities	Stays too close to the issue, shows a tendency for tunnel vision
Identifies the critical issues in complex situations	Misses key points

### C Reaching sound judgements and opinions backed by sufficient evidence

Effective Indicators	Ineffective Indicators
Applies sound criteria, models or techniques on which to make a judgment	Relies unduly on gut feeling when faced with a dilemma
Identifies and quantifies several options	Does not appreciate or assess the risks of recommendations
Draws on knowledge of professional issues and latest developments to inform decisions	Draws on outdated techniques and methodologies
Gathers sufficient and relevant evidence to support findings	Findings based on weak or insufficient evidence

### D Making decisions SAs can defend in public

Effective Indicators	Ineffective Indicators
Willing to make clear, informed decisions	Avoids responsibility for taking a decision
Can make swift or tough decisions	Dithers and seeks corroborative opinion even though timing is tight
Demonstrates integrity and rigour in decision making, utilising best available evidence and analysis	Allows hearsay, rumour or personal views to sway their decisions

## 3 Working as a Member of a Team = Getting the best from each other

### A Treating people as individuals and encouraging their participation

Effective Indicators	Ineffective Indicators
Treats colleagues, clients and partners as equals and encourages their differences	Talks down to people or becomes intimidated by seniority
Takes action to eliminate poor performance promptly and fairly	Fails to deal with poor performance and allows it to affect the work of the team
Thanks people when things go well and celebrates achievement	Concentrates on what went wrong

## B Working as a fully effective team member

Effective Indicators	Ineffective Indicators
Recognises and capitalises on the diversity of the team and draws on different ways of working	Considers minority views and different ways of working an unnecessary burden
Operates across organisational boundaries in order to involve others	Does not work collaboratively; prefers to work in silos
Manages upwards effectively and appropriately	Does not see own manager as a member of the team
Transfers knowledge and skills to colleagues	Does not offer support to newer, less experienced colleagues
Contributes to team outputs	Not a team player – treats contributions as own

## C Leading others to deliver best quality work

Effective Indicators	Ineffective Indicators
Communicates a sense of purpose and commitment to fellow team members	Seems unenthusiastic about team objectives or constantly shifts the goalposts
Sets standards to strive for and acts as a role model	Allows or demonstrates a slapdash approach
Adopts a visible and accessible style of working	Puts delivery before people

## D Encouraging others to develop

Effective Indicators	Ineffective Indicators
Delegates challenging but manageable work to release potential	Unwilling to take the risk of trusting colleagues with new work
Gives timely, honest and constructive feedback	Complains or tells people off without suggesting how to improve performance
Inspires team or colleagues to achieve their best	Does not act as a role model for others to follow
Encourages all opinions and discusses them sensible	Ignores opinions of others
Develops own staff through training and encouragement	Reluctant to invest time in developing colleagues

## 4 Training and Development = Developing Yourself

### A Developing yourself continuously to improve performance

Effective Indicators	Ineffective Indicators
Is aware of own strengths and weaknesses and takes action to improve	Lacks awareness of own weaknesses and neglects personal development
Seeks and acts on feedback from manager, colleagues and clients	Not interested in the views of others or rationalises unwelcome feedback
Takes on challenging work	Stays within comfort zone
Attends and actively contributes to training events	Avoids training events where possible and contributes little when forced to attend

### B Maintaining and updating professional and technical knowledge

Effective Indicators	Ineffective Indicators
Regularly updates range of technical and professional skills and knowledge	Shows little interest in maintaining CPD records; fails to recognise importance of updating professional knowledge
Keeps abreast of emerging issues relating to client/customer and the wider public sector	Takes a narrow view of remit

### C Ensuring innovation and continuous improvement

Effective Indicators	Ineffective Indicators
Suggests ways to improve processes and results	Rarely takes the opportunity to question established ways of working
Identifies, follows and shares good practice and builds on the ideas of others	Complacent about existing standards
Seeks advice of other professionals where appropriate	Relies on incomplete or out-of-date views and information
Takes or encourages calculated risk in the pursuit of innovation	Resistant to change and new ways of working

## 5 Communications = Putting the message across

### A Presenting a confident and professional image

Effective Indicators	Ineffective Indicators
Projects a confident persona when communicating with others internally and externally	Undermines message through lack of confidence or by being brash, arrogant, unapproachable
Discusses issues assertively when challenged but listens to reasoned argument	Becomes submissive or aggressive when challenged
Is aware of, and adapts, personal style in dealing with others	Lacks awareness of the impact their personal style can have on others
Demonstrates highest levels of professional integrity and propriety	Allows personal views/circumstances to influence behaviour and judgment

### B Possessing a good standard of written and oral communication

Effective Indicators	Ineffective Indicators
Uses face to face communication whenever possible to keep people informed	Does not appreciate the value of regular or face to face communication
Tailors and delivers well-structured, confident presentations to a range of audiences	Avoids giving presentations due to lack of skill or confidence
Facilitates/leads meetings or discussions effectively to achieve clear objectives	Loses control of meetings, fails to meet aim of meeting
Uses drafting skills that are appropriate to the style of written communication	Written documents display poor structure and fail to convey a clear message

### C Working in partnership with others

Effective Indicators	Ineffective Indicators
Uses empathy and listening skills to influence others and gain their commitment	Tries to railroad others into a decision
Seeks the perspective of others in trying to persuade	Only offers personal opinions when trying to gain agreement
Makes the most of networking opportunities to consult, influence and engage stakeholders	Reluctant to meet new people or discuss work issues



## D Working with clients

Effective Indicators	Ineffective Indicators
Able and willing to offer appropriate and objective advice to clients/customers on technical issues	Likely to undermine reputation of area/SAls through external contacts
Able to obtain all the information needed from audited bodies	Obtains insufficient evidence for task in hand
Able to persuade others to accept evidenced conclusions	Is unable maintain position despite having the right evidence
Able to negotiate to achieve aims	Fails to achieve fall-back position

## 6 Motivation and Contribution = Moving SAls forward

### A Understanding the context of your work

Effective Indicators	Ineffective Indicators
Keeps up with developments and thinking at SAls	Shows no interest in how SAls or area is changing and developing
Understands how own role fits into the work of SAls	Does not appreciate how own work fits into what others do
Works in line with corporate decisions and helps to make them work	Undermines corporate decisions or adopts a cynical attitude
Understands the role and importance of SAls	Does not appreciate the impact of what SAls does
Understands how improvement in own work can help improve the impact of SAls	Sees no link between own performance and that of SAls
Applies motivational techniques to self and others	Shows little sign of motivation in work

### B Thinking strategically

Effective Indicators	Ineffective Indicators
Contributes to SAls strategic development and strategic thinking	Does not contribute to the wider development of SAls
Scans the horizon to detect threats and opportunities to the business and client services	Misses chances to make things better or does not anticipate problems until its too late
Takes a wider view, spots links and trends	Unable to step back from the day to day, concentrates on detail
Makes a wider contribution to the work of the area other than own work objectives	Reluctant to be involved in tasks and initiatives outside his/her own area of responsibility

## C Leading people in challenging times

<b>Effective Indicators</b>	<b>Ineffective Indicators</b>
Develops a vision of how things could be better	Unable to take a longer term view
Communicates ideas for improvement and inspires support	Struggles to articulate or illustrate ideas for longer term improvements
Helps people to adapt by explaining the reasons for change and the possible impact	Fails to take account of team and individual concerns
Manages the risk of change, including the marginalisation of minority groups	Does not appreciate risks or disregards them in determination to achieve vision
Delegates decision making wherever possible	Has no trust in ability of staff, so afraid to delegate

# Annex 5a: Developing a recruitment system

## Introduction

An SAI should seek to recruit the best quality candidates to meet its current and future needs.

A good recruitment system involves the following stages:

- Procedure to assess that vacancies exist in the approved organisational structure of the SAI and financial provision has been made in the approved budget
- Production of job descriptions which clearly define the nature of the job, and the competencies, required;
- Production of a person specification indicating the type of person sought, their likely skills, qualifications and experiences (this can be included in the job description);
- A plan for the recruitment process describing:
  - the mechanism to be used to reach potential candidates – which journals, newspapers, websites, radio broadcasting, networking, job boards, college recruitment programmes, job fairs, private sector recruitment consultants, and/or the social media to create interest in available positions ;
  - the time-line of the process (making sure that potential candidates have reasonable time to prepare applications);
  - an outline of each phase of the process – including who is to be on the interview panels, and whether any other assessment techniques will be used such as written and mathematical tests or practical exercises;
  - an integrity-check
- Production of a clear advertisement which informs candidates clearly how and when to apply, where to obtain application forms, and the likely time-table;
- Development of evaluation sheets based on the competencies and other criteria in the job description for interviewers and assessors to record their judgements;
- Keeping a record of all decisions on all candidates – both successful and unsuccessful candidates;
- Following up references of the preferred candidates and confirming the authenticity of their qualifications before formalising the job offer;

- Obtaining validation of the process and decision by HRM ;
- Informing candidates quickly of the results – obtaining an acceptance from the successful candidate before notifying the unsuccessful candidates;
- Offering feedback to unsuccessful candidates;
- Identifying during the recruitment process the basic immediate training plan to be followed by the new staff member.

The procedures should be as simple and practical as possible, with the aim of enabling employing authorities to appoint staff rapidly through a competitive process which identifies the most suitable candidate on merit. The procedures should also ensure that the recruitment process is fully documented to ensure accountability and permit subsequent scrutiny.

## Annex 5b: How to recruit

### Advertising of vacancies

The vacancy notice, containing the job description, person specification, the level of the position, the required qualifications, terms and conditions of service and the time within which applications should be received, should be drawn up by the Human Resources Management (HRM) staff, and endorsed by the Auditor General as Appointing Authority.

HRM should be in a position to advise on suitable advertising media for the role and arrange for adverts to be drafted and placed. Advertising options include: national and local press; specialist/professional publications; websites; and recruitment agencies. All vacancies should also be advertised to existing staff internally, on the SAI's own intranet and on prominent notice boards.

### Appointment and role of the selection panel

The Auditor General should appoint for each selection procedure a selection panel. The appointment should take place on the day of the publication of the vacancy. The selection panel should consist of:

- A Chairperson (from the SAI);
- A member representing the SAI;
- A technical person from the department which has the vacancy.

A representative from Human Resources should act as Secretariat to the panel.

The role of the selection panel is to:

- Determine which candidates fulfil the requirements detailed in the vacancy notice;
- Create a short list of candidates to be invited to an assessment day or interview;
- Decide on suitability of candidates for the post based on their qualifications and experience as well as on their performance at interview and/or in written/practical tests;
- Make recommendations on the candidate(s) to be chosen.

## Application and short-listing

Completed application forms for advertised vacancies should be sent by post, fax or e-mail, or delivered in person, to the head of the HRM Unit and should include a letter of motivation and curriculum vitae. Once the closing date for application has passed all candidates should be assessed against the competencies for the role.

The short-listing process should include the following steps:

- Following a paper review of the candidates the selection panel will recommend to the Auditor General the names of those candidates who demonstrate the greatest capacity for the advertised position and who could be invited to the formal assessment stage, which could be an interview and/or written/practical tests. HR, acting as secretariat to the panel, should observe that this short-listing process is transparent, fair and equitable;
- The Auditor General decides on the short-list;
- Preferably no later than 20 working days after the deadline to submit applications, applicants are informed of the Auditor General's decision in writing, in a letter signed by the head of the HRM unit;
- By this letter successful applicants are invited to appear before the selection panel on a date, time and place specified in the letter.

## Next steps

The next steps could include one or more of the following procedures:

### Assessment Centres

SAs should consider using structured assessment centres in the selection of staff. These may vary in content and length depending on the vacancy but might consist of a series of tests which could include the following:

- i) Verbal and mathematical reasoning tests;
- ii) Written case study;
- iii) Group exercise where candidates are invited to take part in a mock discussion which will be observed by members of the selection panel;
- iv) "In-tray" time limited exercise covering key matters for decision which might be encountered in a typical day or week by audit staff. This exercise will include a variety of tasks which will test prioritisation, time utilisation and judgement;
- v) Final interview - candidates will be given a one-to-one interview which will be competency based and aims to produce an evaluation by the assessor of each individual against the required standards. This should cover the key competencies required and the level expected at each grade.

## Competence-based interviewing

For some vacancies, particularly for temporary roles, a panel interview may be used to assess candidates as an alternative to an assessment centre.

Where the selection process involves a selection panel, this should include at least one trained interviewer. If there is no trained interviewer available, a member of the HRM team must be included on the panel to ensure that interviews fully reflect the SAI's personnel and recruitment policies and to avoid legal pitfalls. One to one interviews should always be conducted by a trained interviewer.

Interviewers should ideally be trained in selection interviewing techniques. The SAI should encourage line managers to use competence-based interviewing to obtain objective evidence in the form of examples of previous experience or behaviour in certain situations. Interviews will be conducted against the competencies outlined in the job description and person specification for the post under consideration.

### Good practices: Interview of candidates

- Candidates selected to attend an assessment centre or an interview must accept the invitation within 10 working days;
- All the interviews should be carried out by the selection panel, preferably no later than 20 working days after the decision of the Auditor General on the list of candidates to be interviewed;
- Candidates invited for interview will be asked questions predefined by the selection panel and designed to assess their suitability for the post. Where appropriate, they will also be asked to undergo written or practical tests;
- The representative of HRM should prepare minutes, including a justification of choice, on the outcome of the interviews;
- The minutes should be approved and signed by all members of the selection panel and submitted to the Auditor General for decision. The minutes will be kept by the HRM Unit;
- If no candidate is considered suitable after interview, the selection panel will decide whether to re-launch the procedure;
- The proceedings of the selection panel are strictly confidential. No information on the proceedings should be communicated outside the panel by the members of the selection panel. No information on the outcome should be communicated until the Auditor General has approved the list of successful candidates;
- The HRM Unit should maintain a Recruitment File;
- The HRM Unit should also prepare a recruitment grid for each recruitment exercise to monitor progress.

## Assessment Form

Assessment forms on each component of the selection process should be completed by the assessor or panel on each candidate. These should be retained as evidence of the competencies demonstrated by the candidate at interview, and to illustrate the fairness of the selection process. They may also be used to provide oral or written feedback to candidates.

## Offers of employment

Following identification of the most suitable candidate(s) offers will be made by the HRM Unit who will take responsibility for negotiating starting salaries and start dates, in consultation with the line managers. Once offers have been accepted the HRM Unit will be responsible for issuing the relevant contract.

## Communication and acceptance of the offer of employment

- An offer of employment including the terms and conditions of service should be prepared by the HRM Unit for the signature of the Auditor General, to be sent to the successful candidate;
- A list of successful candidates should be displayed in a conspicuous place for at least 30 days;
- Where an offer of employment is not accepted in writing within a period of 30 days after the offer, it should be assumed that the offer has been rejected;
- Where acceptance of an offer for employment is not made within 30 days after the offer has been communicated, the next qualified candidate may be considered for the post or the post may be re-advertised.

## Effective date of appointment

- The effective date of appointment of a member of staff should be the date on which he or she assumes duty;
- Where a member of staff is appointed on promotion to a post within an SAI, the effective date of appointment should be the date on which he or she assumes duty in the post.

## Pre-employment checks and referees

When an offer of employment has been accepted Human Resources will start pre-employment checks by obtaining references and verifying qualifications. Once all the pre-employment checks have been completed, the new employee is notified and the offer of employment made unconditional.



## Medical examination

Any person appointed as a member of staff of an SAI should undergo a medical examination performed by a medical practitioner nominated by the SAI.

## Forms of contracts

This section explains the main procedures for recruiting different categories of staff. Most employees will normally be offered open-ended contracts but SAIs may also employ a small number of staff under other contractual arrangements, where this is considered a more appropriate means of meeting staffing needs. These include:

- Fixed-term contracts;
- Short term appointments;
- Temporary staff engaged through agencies.

## Fixed term contracts

SAIs might see the benefit in recruiting some staff on fixed term contracts. Such staff might be recruited to mainstream roles to supplement existing resources or where they are needed to work on specific, finite projects, for example, to contribute to particular performance audits or value for money studies, to introduce new IT systems, or to bring specific expertise which is needed for only a limited period. Graduate trainees and researchers will also continue to be recruited on fixed term contracts on entry to the Office: separate policies apply to both these cadres of staff.

## How long are fixed-term contracts?

As a general rule fixed-term contracts are contracts of greater than twelve months but of finite duration, with a specified end date. Fixed term contracts may be offered where the SAI wishes to bring in new and additional expertise for example relating to one area or sector of work, provided the nature of the work is specified in the contract and is not of a continuing nature. There may be other valid business reasons for offering fixed-term contracts such as the need to cover short-term resource requirements, for example, gaps in mainstream staffing, or replacements for staff on secondment or career break.

## Short term appointments

An SAI can also consider using short term appointments to meet resourcing requirements for periods up to a year, for example, they can be particularly helpful in meeting medium term resourcing needs such as cover for maternity leave.

## Temporary staff

Short-term requirements may also be covered through the use of temporary staff hired through an employment agency.

## Factors determining standards of qualification and competence

In SAIs which are not fully independent staff are often recruited under Public Service recruitment programmes. An SAI should always try to be responsible to recruit its own staff directly as in the case of independent SAIs but even where the recruitment takes place centrally the SAI should still try to influence selection and be in a position to determine its own standards of qualifications and competence of its staff members. SAIs should aim to recruit multidisciplinary people with suitable qualifications and experience, including professionals qualified in their fields who bring a rich mix of academic disciplines and experience.

# Annex 5c: Introduction to job descriptions (NCA)

## Introduction

While the competency framework identifies what is expected of staff throughout the organisation, the job description translates these generic competencies for individual posts or groups of positions. Together with the contract of employment or letter of appointment, it defines the relationship between the employee and the employer. A well written job description does not merely describe the employees' duties, but also sets out the key objectives they are expected to achieve, and links these to the wider functions and objectives of the employing authority as a whole. In addition the job description specifies the skills, experience and personal attributes required for the job.

To achieve results, the SAI should define know-how and competences (conduct and skills) necessary for each position and record them in the job descriptions. Both managers and staff benefit from job descriptions. Firstly, job descriptions enable managers to recruit and select the staff they need and take decisions that are as objective as possible on their development, education, training, career paths, etc. In addition to these practical benefits, managers who use documented job descriptions can be confident they have the right person in the right place and have the requisite knowledge and skills in-house to achieve the planned results. Secondly, job descriptions enable staff to understand what is expected of them: what results they have to achieve and to what standard, and what knowledge and skills they have to command to achieve the agreed results. The staff themselves can then see where their personal development opportunities lie and where they must assume responsibility. The knowledge and skills required for another job are also clear to the staff and armed with this information they can consult their managers when they are ready to take on a new position.

## How to write a job description

A job description provides job specifications and requirements, such as a general description of the work, the work attitude and intellectual level required, and the necessary know-how and skills. A job description also provides information to distinguish between different job levels. Job descriptions are not restrictive; staff are expected to carry out other duties or tasks assigned by their managers, provided it is within their capability and area of expertise.

Job descriptions are not drawn up for individual members of staff but for a cluster of jobs, such as auditors, senior auditors, team leaders, directors, secretaries, consultants, etc.

## Step 1

### General description

Give a brief description of the context in which the job is carried out within the organisation and what its purpose is. Also provide a general description of what is expected from the position/staff member.

## Step 2

### Job requirements

List the education, experience and knowledge required.

Be aware that knowledge can also be gained from practical experience, and a specific, named course does not necessarily have to be taken to gain the required knowledge. This does not apply where certain courses are required by law.

## Step 3

### Specific competencies required for the job

Summarise the competencies without further explanation (this will follow later in the core profile and related behavioural indicators).

## Step 4

### Threshold/generic competencies

List the competencies that are required of everyone working at the SAI. They can usually be taken from the SAI's strategy; the strategy may even refer to the competencies by name.

## Step 5

### Tasks and responsibilities

List the tasks and responsibilities associated with the job. The description should not be too detailed. If it is, staff are tempted to do no more than what is listed. A lot of time will then be lost discussing whether a task is part of the job or not and every minor change in the description will lead to an unnecessary waste of time. Experience shows there is a danger of getting bogged down in details. The enclosed examples can help you decide which tasks and responsibilities should be listed.

## Step 6

### Implementation

Staff and management must understand what purpose the job description serves and what rights can be derived from it. As noted above, staff must not be able to refuse to carry out a task simply because it is not listed in the job description. The job description must therefore be able to accommodate new tasks that are appropriate to the level and the purpose of the job. This has to be made clear to management and staff when job descriptions are introduced. Job descriptions are a management responsibility. They are part of the organisational structure for which the managers are responsible. Staff should be able to recognise themselves and their work in the job descriptions, but the details are not a matter for discussion with the staff.

# Annex 5d: Examples of job descriptions and core profiles (NCA)

## Trainee Accountant

Netherlands Court of Audit	
Function family:	Audit and audit advice
Job description:	Auditor/Trainee accountant
Specialisation:	Audit projects

### 1 Environment and function

The audit departments have introduced the position of accounting auditor to meet future demand for this function. The position will be offered to recent graduates in accountancy from higher business schools (HEAO level). They will be able to learn on the job whilst working on regularity audits. They will spend up to 50% of their working time learning to become **registered accountants**. Monitoring and supervising their work and study will be essential preconditions.

### 2 Job description

The core description for this position is that of Auditor/Trainee accountant.

### 3 Job requirements

- Higher professional standard (HBO)
- HEAO accountancy graduate
- Knowledge of finance and internal control
- Knowledge of business processes
- Affinity with the Court of Audit's field of work.

#### Work Experience

- S9 School leaver
- S10 Experience with audit work  
Experience with project-based work.

#### 4 Threshold competencies

- Integrity.

#### 5 Job definition

##### General

- Studies for up to 50% of the working time to become a registered accountant (R.A.)
- Carries out parts of the regularity audits and financial audits, analyses, processes and reports upon the data
- Analyses, assesses and reports upon electronic information systems
- Assists in introductory and fact-finding interviews at the ministries, in part by taking minutes.

##### Hierarchical factors

##### Scale 9

- Carries out standard audits
- Responds to unforeseen circumstances and professional developments in the work
- Works in accordance with interrelated guidelines, procedures, laws, regulations and/or specifically formulated policy lines
- Develops insight into the multidisciplinary coherence of the audit subjects.

##### Scale 10

- Carries out independent audits with more complicated management and audit challenges
- The audit approach requires a response to previously unencountered situations that call for alternative approaches
- During the work, there is freedom to depart from standard procedures and apply specific approaches.

#### 6 Job scale: Scale 9-10

*Valuation:* see complexity matrix.

## Auditor

Netherlands Court of Audit	
Function family:	Audit and audit advice
Job description:	Auditor
Specialisation:	Audit and policy development

### 1 Environment and function

The audit departments carry out audit projects and development projects. An audit project is an investigation of a subject that is included in the Court of Audit's Activity Programme with a view to external publication. A development project is an investigation of a working method with a view to making recommendations on the working method. The position is designed to make a substantive contribution to audit projects and to contribute to policy development in the audit department's field of work.

### 2 Job description

The core description for this position is that of Auditor.

### 3 Job requirements

- Academic standard
- Knowledge and experience of the Court of Audit's audit field
- Knowledge and experience of the various audit methods and techniques
- Affinity with efficiency and regularity audits.

### 4 Threshold competencies

- Integrity

### 5 Job definition

#### General

- Helps formulate an audit engagement in the form of a problem definition and audit questions, and helps prepare the audit organisation and planning (both in broad lines and in detail)
- Carries out independent audits (in full or in part) of relatively limited scope and complexity
- Processes and analyses audit data and reports on the findings to the project leader
- Contributes to policy development in an audit department's field through communication with colleagues and through publications and presentations.



### Hierarchical factors

#### Scale 11

- Fulfils the responsibilities of an audit department by auditing the regularity and efficiency of public expenditure and carrying out policy development work
- The work is directed at influencing business processes at ministries (outside the personal working unit) and the impact is felt for more than a year
- The decisions taken during the conduct of the work form a decision-making process that reflects the interrelationship of loosely defined decision factors
- The audit results are judged on their practical value and compliance with the Government Accounts Act and the relevant audit fields at ministries
- A broad or specialised theoretical knowledge of the discipline combined with an insight into social, financial, economic, technical, legal, political and administrative issues is required in a wider context than just the auditor's field of work.

#### 6 Job scale: Scale 11

Valuation: see complexity matrix.

## Senior Auditor

Netherlands Court of Audit	
Function family:	Audit and audit advice
Job description:	Senior Auditor
Specialisation:	Audit and policy development

### 1 Environment and function

The audit departments carry out audit projects and development projects. An audit project is an investigation of a subject that is included in the Court of Audit's Activity Programme with a view to external publication. A development project is an investigation of a working method with a view to making recommendations on the working method. The position is designed to make substantive and material contributions to the implementation of audit projects and to advise on the development of policy in the audit department's field.

### 2 Job description

The core description for this position is that of Senior Auditor.

### 3 Job requirements

- Academic standard
- Knowledge and broad experience of the Court of Audit's activities (in whole or in part)
- Knowledge and broad experience of the various audit methods and techniques and of their use
- Affinity with efficiency and regularity audits
- Experience in project management.

### 4 Threshold competencies

- Integrity.

### 5 Job definition

#### General

- Makes substantive and material contributions to forthcoming audit projects by preparing methodologically sound audit structures and plans, by independently carrying out audits (in whole or in part) and by writing audit reports
- Follows social and administrative developments in his/her own discipline and incorporates the insights into audits
- Advises on policy development in an audit department's field by advising managers and colleagues and by disseminating audit results in publications and presentations.

### Hierarchical factors

#### Scale 12

- Since a large number of uncertainties must be taken into account when decisions are taken during an audit, the outcome of those decisions are difficult to predict and can be estimated only a year later
- Strategic policy lines or models formulated in general terms underpin forthcoming audits
- There is a conflict of interest in contacts
- Support must be gained for the implementation of the audit results (policy, working methods and techniques) and conflicts of interest will play a role.

### 6 Job scale: Scale 12

Valuation: see complexity matrix.

## Specialist

Netherlands Court of Audit	
Function family:	Audit and audit advice
Job description:	Specialist
Specialisation:	Study and development

### 1 Environment and function

Knowledge circles specialising in the Government Accounts Act include one or two specialists who have the expert knowledge necessary to help the knowledge circle develop further. They are recognised inside and outside the Court of Audit as authorities in their fields. The specialists report to the directors.

### 2 Job description

The core description for this position is that of Specialist.

### 3 Job requirements

- Academic standard
- Outstanding knowledge of one of the four specialised disciplines relating to the Government Accounts Act
- Broad knowledge of the various audit methods and techniques used in the discipline
- Broad experience in the various audit methods and techniques and their application
- Experience in project-based work.

### 4 Threshold competencies:

- Integrity.

### 5 Job definition

#### General

- Follows social and administrative developments in relation to the specialisation and incorporates the insights into audits or advice
- Draws on the specialisation to advise the organisation on audit structures and organisation-wide issues
- Develops the discipline further and disseminates knowledge inside and outside the Court of Audit as an audit consultant

- Is recognised internally and externally as an authority in his/her discipline, as evidenced by a network of relevance to the Court of Audit, regular publications in authoritative journals and external presentations. He/she thus contributes to the external and internal reputation and authority of the Court of Audit and influences the auditees' working methods
- Can act as project leader in development projects.

#### Hierarchical factors

- Responds to changes in policy goals due to social opinions or professional developments or to outcomes of negotiation processes
- Develops and defends new ideas and concepts where a multidisciplinary orientation is required and, if necessary, coordinates with other intra-ministerial and inter-ministerial organisations or national and international organisations
- Builds support for the development and implementation of policy, new ideas, working methods and techniques.

#### 6 Job scale: Scale 13

Valuation: see complexity matrix.

## Audit Project Leader

Netherlands Court of Audit	
Function family:	Audit and audit advice
Job description:	Audit project leader
Specialisation:	Audit and coordination

### 1 Environment and function

The audit department carries out audit projects and development projects. An audit project is an investigation of a subject that is included in the Court of Audit's Activity Programme with a view to external publication. A development project is an investigation of a working method with a view to making recommendations on the working method. Within the project team, the project leader directs the work and sets the course of the audit project taking account of internal recommendations and reports to the audit director. The project leader is also responsible for day-to-day project management.

### 2 Job description

The core description for this position is that of Audit Project Leader.

### 3 Job requirements

- Academic standard
- In-depth knowledge of the Court of Audit's audit field
- Knowledge of various audit methods and techniques
- Experience of the various audit methods and techniques and their application
- Experience in project management.

### 4 Threshold competencies

- Integrity.

### 5 Job definition

#### General

- Substantive and administrative coordination and steering of one or more demanding audit projects and maintaining a network necessary for the audit. He/she is responsible for the audit structure, the transfer of know-how, staffing proposals, planning and monitoring the procedural and substantive implementation of a project
- Holds closing interviews with the auditees
- Contributes to the Court of Audit's general policy from the field by making proposals and advising the director

- Coordinates and steers the work of the auditors and senior auditors
- Discusses the audit results with senior auditors, identifies their strengths and development competencies in anticipation of their evaluation reviews and reports to the director on the reviews.

#### Hierarchical factors

##### Scale 13

- Adapts his/her work to changes in policy goals due to social opinions or professional developments or to outcomes of negotiation processes
- Develops and defends new ideas and concepts where a multidisciplinary orientation is required and, if necessary, coordinates with other intra-ministerial and inter-ministerial organisations or national and international organisations
- Builds support through his/her own network (also at the ministries) for the findings and working methods of the project team, the development and implementation of policy, new ideas, working methods and techniques.

#### Hierarchical factors

##### Scale 14

- The complexity of some of the Court of Audit's activities and government-wide projects (legal persons with statutory tasks, EU Trend Report, C team of the Council for Annual Reporting and the State of Policy Information) is higher than average owing to the size of the teams, the subject matter and the strategic scope; the current and future position of the Court of Audit is therefore more vulnerable than average
- The project leader helps steer the development of the Court of Audit's strategic goals
- The decision-making process for these projects is geared in part to the further development, establishment and/or achievement of strategic goals whose decision factors are not decisive
- The decisions have a clear long-term impact.

## 6 Job scale: Scale 13-14

Valuation: see complexity matrix.

## Core profiles

### 1 Main Classification

#### Terms and definitions

The following definitions are used to classify the current functions into the various function families for the Court of Audit's main business processes:

Function Family	Function
Management	Is in charge of the organisation and responsible for its continuity, is responsible for the achievement of policy goals and has full authority for operational management.
Advice	Advises on the Court of Audit's course, strategy development, steering and operational management and on its audit activities
Audit and audit advice	Audits the regularity and efficiency of public expenditure and advises on audit activities
Support	Facilitates the entire Court of Audit in a broad sense

### 2 Principles of the Court of Audit's Job Classification System

The following principles have been formulated to flesh out the main structure. The framework must:

- Promote compliance with the principles and ambitions of the Space for Professionals policy intention
- Be recognisable throughout the Court of Audit
- Be compatible/applicable within the Court of Audit's organisation and staff formation
- Encourage management by results
- Encourage management by organisational development and targeted staff development
- Promote mobility between and within organisational units
- Simplify the organisation and reduce diversity
- Create flexibility
- Form a base for the entire HRM arsenal
- Clarify rewards.





<b>Result areas</b>	<b>Results</b>	<b>Performance indicators</b>	<b>Competencies</b>	<b>Behavioural indicators</b>
HRM (managers)	There is a strategic relationship between organisational goals, organisational structure and staff competences Good employer Progress in staff development	HRM policy tools are tailored to the strategy % performance reviews (result and development interviews) Staff satisfaction % absenteeism Consultation with the works council in accordance with the Works Council Act	Inclusive leadership	Inspires the Court of Audit's staff by communicating the strategy clearly Creates support for the direction, approach and working methods Inspires the staff to bear responsibility and work together Sets an example
Operational management and finance	Supervision of integral operational management Operational management is tailored to the strategy	Efficient and effective delivery of the Court of Audit's products and processes Positive opinion of controller Positive opinion of external auditor	Organisation-based steering	Makes concrete agreements with departments on results Follows progress through clear agreements and procedures Ensures compliance with quality standards in accordance with the controller's recommendations Seeks to remove organisational obstacles to good operational management.
Learning and improving	Goals set to plan, steer and manage knowledge Positive results of external reviews	New working methods Support within the organisation A working evaluation system Quality assurance Innovative applications Improved working processes Peer reviews and stakeholder reviews	Learning ability	Ensures that the Court of Audit qualifies as a learning organisation Encourages an inspirational culture within the Court of Audit, provides opportunities for innovation, including opportunities to make mistakes Obtains know-how and information from other organisations Provides active feedback to staff when the situation demands it, acts on feedback received on his/her own performance Pro-actively works on his/her own personal development and growth



<b>Result areas</b>	<b>Results</b>	<b>Performance indicators</b>	<b>Competencies</b>	<b>Behavioural indicators</b>
HRM (managers)	<p>Optimal use of project team members (including allocation of tasks)</p> <p>Team selection (explain what demands are made on the audit team and actively contribute to team selection)</p> <p>Good working atmosphere (assists and motivates staff)</p> <p>Reporting sick leave</p> <p>Result discussions</p> <p>Advice to director on staff</p>	<p>Effective use of staff: no or only reasoned differences between planned and actual use</p> <p>Staff satisfaction</p> <p>Timely and correct routine staff care (e.g. short sick leave and staff coordination for the project team)</p> <p>Number of result reviews</p> <p>Reporting other staff issues to the director</p>	<p>Motivate</p> <p>Manage by targets</p>	<p>Ensures commitment, cooperation and team spirit in the audit team.</p> <p>Gives team members clear instructions, matches assistance to staff needs and gives honest feedback on their performance and products</p> <p>Can estimate and deploy team member capacities effectively</p> <p>Finds working methods that suit the team and the project</p> <p>Recognises problems among team members (e.g. stress) and refers them to the appropriate body where necessary</p> <p>Takes a coaching, problem-solving and sensitive approach to problems</p> <p>Actively organises feedback within the audit team, both as giving and recipient party</p>
Operational management and finance	<p>Implementation subject to operational management frameworks</p> <p>Information management in order</p>	<p>Delivery on time and within budget</p> <p>Efficient engagement and deployment of project team</p> <p>Products comply with legislation, rules and internal agreements</p> <p>Confidentiality, integrity, accessibility and completeness of files</p>	<p>Plan</p>	<p>Strikes the right balance between time and quality, e.g. by working with sound plans.</p> <p>Delivers products that comply with preconditions</p> <p>Seeks and finds support for the project</p> <p>Draws up plans and adapts them to infringements</p> <p>Actively thinks up new solutions to problems</p>
Learning and improving	<p>Is alert to opportunities for innovative applications, improved working processes, methods and techniques</p> <p>Develops know-how and skills in the discipline and work</p>	<p>Proposals, concepts and working methods for new applications</p> <p>Recording and disseminating points for improvement</p> <p>Results of peer feedback.</p> <p>Number of training courses, etc.</p> <p>Availability / accessibility of know-how</p>	<p>Learning ability</p>	<p>Evaluates working methods with others; learns from the evaluations and makes improvements</p> <p>Integrates new knowledge into existing methods</p> <p>Secures know-how in the discipline and work</p> <p>Uses know-how and information from other organisations</p> <p>Makes know-how and information accessible to colleagues</p> <p>Provides active feedback to colleagues when demanded by the situation; acts on feedback about his/her own performance</p> <p>Pro-actively works on his/her own personal development and growth</p>

III Audit function family

III.C: Senior auditor

FUNCTION: Makes a substantive contribution as an individual, team member or project leader to the execution of audit projects. Contributes to audit programming, monitoring and development of methods, techniques and standards at the Court of Audit

Result areas	Results	Performance indicators	Competencies	Behavioural indicators
External Orientation	Products delivered. Namely: audit products and activities advice on audit products and results help to develop the Court of Audit's strategy, policy and tools Advice or products on central government policy and instruments internal (ad hoc) advice to management substantive contribution to internal and/or external publications and presentations Is abreast of relevant developments in the discipline Results of audits and related projects that are communicated outside the organisation Information supply and coordination with auditees on the audit and audit process Access to a relevant network Coaching and assisting auditors	Products that satisfy the substantive objects of the engagement or agreement Successful management of sub-projects Results of feedback from management Reports, advice and proposals for further investigation based on current understanding of the environment Correct and clear information to external parties / stakeholders on the audit process, content and results Contacts add to the quality of the audit (give and take information) Successful supervision of auditors	Conceptual flexibility Opinion forming	Oversees the audit process and introduces structure into audit projects Identifies, analyses and facilitates discussion of problems and makes changes where necessary Enriches ideas with additional viewpoints and concepts Is able to explain to others the assumptions or hypotheses underlying the reasoning Puts the common interest before his/her own interests Responds flexibly to difficult discussion points and senses whether the approach or allocation of tasks should immediately be changed Clearly explains what criteria underlie his/her own decisions and how heavily they weighed Can distinguish between primary and secondary issues Has a broad repertoire of communication skills (presentation, formulation, persuasion, active listening) and can use them in context Has a good (substantive) understanding of the results and goals that must be achieved and can respond well to changes Is determined and assertive when achieving goals; where necessary, seeks alternatives and works on solutions Works well with the project leader and team members and feels responsible for his/her own results within the team Coaches auditors in their work for the project Acts calmly, tactfully and pro-actively, even in tense situations Informs external counterparties effectively and honestly about ongoing audits and the Court of Audit's role Helps find a compromise or third way where there are conflicts of interest

<b>Result areas</b>	<b>Results</b>	<b>Performance indicators</b>	<b>Competencies</b>	<b>Behavioural indicators</b>
HRM (managers)	N.A.	N.A.		
Operational management and finance	<p>Implementation subject to operational management frameworks</p> <p>Information management in order</p>	<p>Delivery on time and within budget</p> <p>Efficient engagement and deployment of project team</p> <p>Products satisfy legislation, rules and internal agreements</p> <p>Confidentiality, integrity, accessibility and completeness of files</p>	Progress control	<p>Monitors the progress and scope of sub-audits</p> <p>Fulfils agreements or ensures that agreements are fulfilled</p> <p>Manages his/her own time and organises his/her own work subject to the set frameworks</p>
Learning and improving	<p>Innovative applications and improved working processes, methods and techniques</p> <p>Know-how and skills developed in the discipline and work</p> <p>Knowledge management in his/her own discipline and work</p>	<p>Results of knowledge field and related projects are communicated within the organisation</p> <p>Number of proposals, concepts and working methods accepted</p> <p>Record and communicate points for improvement</p> <p>Results of peer feedback.</p> <p>Number of training courses, etc. completed</p> <p>Availability / accessibility of know-how and information</p>	Learning ability	<p>Evaluates working methods with others, learns from the evaluations and makes improvements</p> <p>Integrates new knowledge into existing methods</p> <p>Secures know-how in the discipline and work</p> <p>Uses know-how and information from other organisations</p> <p>Makes know-how and information accessible to colleagues</p> <p>Provides active feedback to colleagues when demanded by the situation; acts on feedback about his/her own performance</p> <p>Pro-actively works on his/her own personal development and growth</p>

III Audit function family

III.D: Auditor/trainee accountant

FUNCTION: Makes substantive contributions to the implementation of audit projects. Contributes to audit programming, monitoring and developing methods, techniques and standards within the Court of Audit. The contributions are individual or part of a team's input.

Result areas	Results	Performance indicators	Competencies	Behavioural indicators
External Orientation	Products delivered. Namely: audit products and activities advice on audit products and results help to develop the Court of Audit's strategy, policy and tools Advice or products on central government policy and instruments internal (ad hoc) advice to management substantive contribution to internal and/or external publications and presentations <sup>1</sup> Is abreast of relevant developments in the discipline Results of audits and related projects are communicated outside the organisation <sup>1</sup> Information supply and coordination with auditees on the audit and audit process <sup>1</sup> Access to a relevant network <sup>1</sup>	Products that satisfy the substantive objects of the engagement or agreement Results of feedback from management Reports, advice and proposals for further investigation based on current understanding of the environment Correct and clear information to external parties/stakeholders on the audit process, content and results Contacts add to the quality of the audit (give and take information)	Opinion forming	Identifies, analyses and facilitates discussion of problems and makes changes where necessary Is able to explain to others the assumptions or hypotheses underlying the reasoning Puts the common interest before his/her own interests Judges what actions in a situation are his/her own responsibility and what responsibilities lie elsewhere (allocation of tasks) Clearly explains what criteria underlie his/her own decisions and how heavily they weighed Can distinguish between primary and secondary issues Has a broad repertoire of communication skills (presentation, formulation, persuasion, active listening) and can use them in context Has a good (substantive) understanding of the results and goals that must be achieved and can respond well to changes Is determined and assertive when achieving goals; where necessary, seeks alternatives and works on solutions Works well with the project leader and team members and feels responsible for his/her own results within the team Acts calmly, tactfully and pro-actively, even in tense situations Informs external counterparties effectively and honestly about ongoing audits and the Court of Audit's role Helps find a compromise or third way where there are conflicts of interest



Result areas	Results	Performance indicators	Competencies	Behavioural indicators
HRM (managers)	N.A.	N.A.		
Operational management and finance	Implementation subject to operational management frameworks Information management in order	Delivery on time and within budget Products satisfy legislation, rules and internal agreements Confidentiality, integrity, accessibility and completeness of files	Progress control	Manages his/her own time and organises his/her own work subject to the set frameworks
Learning and improving	Communicates the results of audits and related projects to management and/or the Court of Audit' Innovative applications and improved working processes, methods and techniques Develops know-how and skills in his/her own discipline and work Knowledge management in his/her own discipline and work	Number of proposals, concepts and working methods accepted Record and communicate points for improvement Results of peer reviews. Number of training courses, etc. completed Availability / accessibility of know-how and information	Learning ability	Evaluates working methods with others, learns from the evaluations and makes improvements Integrates new knowledge into existing methods Secures know-how in the discipline and work Uses know-how and information from other organisations Makes know-how and information accessible to colleagues Provides active feedback to colleagues when demanded by the situation; acts on feedback about his/her own performance Pro-actively works on his/her own personal development and growth

## NOTE

- 1 For the Accounting Auditor, these are points for development rather than deliverable results.



## Annex 5e: Job descriptions (KENAO)

### Kenya National Audit Office

#### Scheme of service for auditors and examiners

##### Vision

To be a lead agency in promoting good governance and effective accountability in the management of public resources.

##### Mission

KENAO is a statutory agency which seeks to build professional excellence in the provision of audit services through objective, reliable and timely audit reports as a contribution to enhanced accountability and transparency in the use of public resources.

##### Motto

Promoting accountability in the public sector.

##### Core values

- Integrity
- Professional Excellence
- Cooperation
- Creativity
- Confidentiality
- Objectivity and Independence

## Introduction

The Scheme of Service for Audit Examiners and Auditors in the Kenya National Audit Office (KENAO) embraces three (3) grades of Audit Examiners and nine (9) of Auditors. The Scheme also provides clear job descriptions and job specifications at all levels within the grading structure.

Once implemented, it is expected that this Scheme will go a long way in providing impetus for staff motivation, enhanced performance and productivity. It will also provide clear guidelines on career development.

This Scheme supersedes the one issued on 23 October, 1991 by the Permanent Secretary/ Director of Personnel Management, Office of the President.

### 1 Aims and Objectives

- i) To provide for a clearly defined career structure which will attract and ensure retention of competent & professionally qualified audit staff in KENAO.
- ii) To establish standards for recruitment, training and advancement to higher grades within the career structure, on the basis of qualifications, knowledge of the job, experience, merit and ability as reflected in work performance.
- iii) To encourage continuous staff training and professional development in fields relevant to the audit function.
- iv) To facilitate continuous development and maintenance of high standards of auditing in KENAO.

### 2 Administration and Training Scope of the Scheme OF SERVICE

- a) Responsibility for Administration

The Scheme of Service will be administered by the Controller & Auditor-General, in consultation with the Kenya National Audit Commission.

- b) In administering the Scheme, the Controller & Auditor-General will ensure that all provisions of the Scheme are strictly observed for fair and equitable treatment of staff.
- c) The Controller & Auditor-General will also, as much as possible, provide appropriate training opportunities and facilities to assist serving officers acquire the necessary additional qualifications/specialization and experience required for both efficient performance of their duties and advancement within the Scheme.
- d) The Controller & Auditor-General will encourage professional self- development of staff.

### 3 The Audit Function

The audit function involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The audit also includes a review of internal control systems put in place by the management, with a view to assessing the economy efficiency and effectiveness with which an entity's resources are utilized. It further includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

The Constitution of Kenya requires the Controller & Auditor-General at least once in every year to audit and report on the public accounts of the Government of Kenya, the accounts of all officers and authorities of that Government, the accounts of all courts in Kenya, the accounts of every Commission established by the Constitution and the accounts of the Clerk of the National Assembly. The report is submitted to the National Assembly.

The Constitution also requires the Controller & Auditor-General to satisfy himself/herself that any proposed withdrawal from the Consolidated Fund is authorized by law, and if so satisfied to approve the withdrawal. He/she is further required to satisfy himself/herself that all moneys that have been appropriated by Parliament and disbursed have been applied to the purposes to which they were so appropriated, and that the expenditure conforms to the authority that governs it.

Other duties of the Controller & Auditor-General, including examination of the economy, efficiency and effectiveness with which resources have been utilized, are amply spelt out in the Public Audit Act, 2003.

### 4 Grading structure

- a) The Scheme of Service embraces three (3) grades of Audit Examiners and nine (9) of Auditors as shown below;

#### i) Audit Examiners

**Designation** KENAO

#### **Salary Scale**

Audit Examiner Trainee	15
Audit Examiner III	12
Audit Examiner II	11

**ii) Auditors****Designation** KENAO**Salary Scale**

Auditor III	10
Auditor II	9
Auditor I	8
Senior Auditor	7
Principal Auditor	6
Assistant Director of Audit	5
Deputy Director of Audit	4
Director of Audit	3
Deputy Auditor-General	2

**b) Serving Audit Examiners**

Serving Senior Audit Examiners I, Senior Audit Examiners II and Audit Examiners I will adopt and convert as appropriate to Auditors I, Auditors II and Auditors III respectively, even where they may not be in possession of the full academic/professional qualifications and/or experience prescribed in the Scheme, for appointment to the present grade. For advancement to higher grades, however, an officer must be in possession of the prescribed minimum qualifications and/or experience as required under the Scheme.

**c) Provision of Posts**

The Scheme does not in itself constitute authority for creation or up-grading of posts. Any new posts required must be approved by the Kenya National Audit Commission on recommendation by the Controller & Auditor-General.

## 5 Recognized qualifications

The following are the recognized academic and professional qualifications for the purpose of the Scheme of Service:-

- i) A Bachelor's degree from any of the Kenyan universities or other recognized universities or institutions, preferably in fields relevant to the audit function such as Auditing, Accounting, Finance, Economics, Mathematics, Statistics, Computer Science, Law, Business Administration, Public Administration or other relevant disciplines.
- ii) A post-graduate qualification (Diploma and above) from any of the Kenyan universities or other recognized universities or institutions, preferably in fields relevant to the audit function such as Auditing, Accounting, Finance, Economics, Mathematics, Statistics, Computer Science, Law, Business Administration, Public Administration or other relevant disciplines.
- iii) Parts I, II and III (final) of the Certified Public Accountants (CPA) (K) qualification or any other recognized equivalent professional qualifications.
- iv) Certified Information Systems Auditor (CISA) qualification or any other recognized equivalent professional qualifications.
- v) Such other qualifications as may be approved by the Controller & Auditor in consultation with the Kenya National Audit Commission.
- vi) Membership of a recognized professional body or association.

## 6 Entry into the scheme of service

- a) Direct Appointment

Direct appointment will normally be made at the grade of Auditor III KENAO Scale 10, provided the candidate is in possession of the prescribed minimum qualifications. In exceptional cases, however, direct appointment may be made at higher grades.

- b) Incremental Credit

Incremental credits for approved experience acquired after obtaining the prescribed minimum qualifications for a grade may be awarded at the rate of one increment for each completed year of approved experience, provided the maximum of the scale is not exceeded. In awarding the incremental credits, any period of service or experience stipulated as a basic requirement for appointment to a particular grade will be excluded.

## 7 Advancement within the scheme of service

The Scheme of Service sets out the minimum qualifications and/or other conditions for consideration for appointment and/or promotion to higher grades. Advancement from one grade to another will also depend on:-

- i) Existence of a vacancy;
- ii) Merit and ability as reflected in work performance and results; and,
- iii) Approval of the Controller & Auditor-General.

## 8 Implementation of the scheme of service

This Scheme of Service will become operational effective from 1 October, 2008. On implementation, all serving officers embraced in the grading structure will automatically become members of the Scheme.

## Job and appointment specifications

### I Audit Examiner Trainee – Kenao Scale 15

#### Duties and Responsibilities

Audit Examiner Trainee is basically a training grade. The Trainees will undergo formal training supplemented by on-the-job training. The formal training is intended to give Trainees a comprehensive induction into basic accounting, auditing and public sector financial management. The on-the-job training involves actual audit work with the Trainees carrying out actual audit assignments under the supervision of their seniors. **No more recruitment at this level is being done in KENAO.**

Audit Examiner Trainees currently in post are being encouraged to take the appropriate courses and training to enable them advance to the level of Auditor III.

### II Audit Examiner III – Kenao Scale 12

#### a) Duties and Responsibilities

An Audit Examiner III will be required to undertake basic audit work such as examining vouchers, cash books, ledgers etc, to confirm propriety and accuracy of transactions. He/She may be called upon to undertake duties involving audit of annual accounts of a government Ministry/Department, Local Authority or a State Corporation under supervision of a senior officer. He/She may also be deployed in the Specialized Audit Department or in the Finance, Administration, Human Resource & Training Department or assigned any other duty or responsibility the office may deem appropriate.

#### **b) Requirements for appointment**

To be considered for appointment to the grade of Audit Examiner III, an Audit Examiner Trainee must have;

- Successfully completed three (3) years on-the-job training, the prescribed Departmental Training Program for Audit Examiners and passed the Audit Assistants Course examination;
- Successfully completed three (3) years on-the-job training and passed one section of Part I of CPA (K) examination or its recognized equivalent;
- Shown merit and ability in work performance.

### **III Audit Examiner II – Kenao Scale 11**

#### **a) Duties and Responsibilities**

An Audit Examiner II will be required to assist the immediate senior officer in accomplishing specific audit programs. He/She may also be required to undertake a variety of basic audits to confirm that transactions have been made in accordance with the regulations and ascertain their accuracy and propriety. He/She may at times be required to audit annual accounts and report the findings to the immediate senior officer. He/She may also be deployed in the Specialized Audit Department or in the Finance, Administration, Human Resource & Training Department or assigned any other duty or responsibility the office may deem appropriate.

#### **b) Requirements for appointment**

To be considered for appointment to the grade of Audit Examiner II, an Audit Examiner III must have;

- Served in the grade of Audit Examiner III for a period of at least three (3) years;
- Passed one section of Part 1 of CPA (K) examination or its recognized equivalent;
- Shown merit and ability in work performance.

### **IV Auditor III – Kenao Scale 10**

#### **a) Duties and Responsibilities**

Auditor III will be the entry and training grade for auditors. The auditors will undergo the normal departmental training in all aspects of audit work in Central Government, Local Authorities and State Corporations Departments. The training will also cover matters and issues relating to both Specialized Audit and Finance, Administration, Human Resource & Training Departments.

Specifically, an Auditor III will undertake a variety of auditing work of limited scope and complexity which will include audit of the annual accounts of a Ministry/Department, Local Authority or a State Corporation under supervision of a senior officer. The officer may also be deployed in the Specialized Audit Department or in the Finance, Administration, Human Resource & Training Department or assigned any other duty or responsibility the office may deem appropriate.

**b) Requirements for appointment**

## i) Direct appointment

Direct appointment to the grade of Auditor III will be made from candidates who are in possession of a Bachelor's degree from any of the Kenyan universities or other recognized universities or institutions, preferably in fields relevant to the audit function such as Auditing, Accounting, Finance, Economics, Mathematics, Statistics, Computer Science, Law, Business Administration, Public Administration or other relevant disciplines.

## ii) Promotion

For promotion to the grade of Auditor III, an Audit Examiner II must have;

- Served in that grade for a minimum period of two (2) years;
- Passed at least Part 1 of CPA (K) examination or its recognized equivalent; and,
- Shown merit and ability in work performance.
- An Audit Examiner III who has served in that grade for a period of at least three (3) years and has shown merit and ability in work performance, and has passed Part II of CPA (K) examination or its recognized equivalent may be considered for appointment to the grade of Auditor III.

**V Auditor II – Kenao Scale 9****a) Duties and Responsibilities**

An Auditor II will carry out assignments allocated to him/her by the Branch Head which may include systems audit and audit of annual accounts of a Ministry, Local Authority or State Corporation. He/she may be required to lead a team of Auditors III and Audit Examiners on audit assignments and report to the immediate supervisor.

He/she may also be deployed in the Specialized Audit Department or in the Finance, Administration, Human Resource & Training Department or assigned any other duty or responsibility the office may deem appropriate.

**b) Requirements for appointment**

Appointment to the grade of Auditor II will be made from Auditors III, who have:

- Successfully completed the normal Departmental Training Programme for Auditors III;
- Served in the grade of Auditor III for a minimum period of two (2) years;
- Shown merit and ability in work performance; and,
- Been confirmed in appointment.



## VI Auditor I – Kenao Scale 8

### a) Duties and Responsibilities

An Auditor I may be in charge of an audit unit or team comprising of Auditors II, Auditors III and Audit Examiners. He/she may also be required to take charge of a substantial audit assignment, including audit of annual accounts. He/she may also be deployed in the Specialized Audit Department or in the Finance, Administration, Human Resource & Training Department or assigned any other duty or responsibility the office may deem appropriate. He/she will be expected to supervise junior staff working under him/her.

### b) Requirements for appointment

Appointment to the grade of Auditor I will be made from Auditors II, who:

- Are in possession of a Bachelor's degree from any of the Kenyan universities or other recognized universities or institutions, preferably in fields relevant to the audit function such as Auditing, Accounting, Finance, Economics, Mathematics, Statistics, Computer Science, Law, Business Administration, Public Administration or other relevant disciplines; or,
- Have passed Part II of CPA (K) examination or its recognized equivalent; or,
- Have passed CISA examination or its recognized equivalent qualification; and,
- Have served in the grade of Auditor II for a minimum period of three (3) years; and,
- Have shown merit and ability in work performance.

NB: The grades of Auditors III/II/I will form a common establishment.

## VII Senior Auditor – Kenao Scale 7

### a) Duties and Responsibilities

A Senior Auditor may be in charge of a Branch responsible for audit of a Ministry/ Department, a number of Ministries/Departments, Local Authorities, State Corporations or a Province. He/she may also be deployed in the Specialized Audit Department or in the Finance, Administration, Human Resource & Training Department or assigned any other duty or responsibility the office may deem appropriate. A Senior Auditor who is a Branch Head will be responsible for the overall supervision and operation of the Branch including day to day administration, staff development and discipline. He/she will also be responsible for the accuracy of accounts, reports or other correspondence emanating from the Branch. A Senior Auditor may also be an assistant to a Branch Head or a member of a team in the Branch.

**b) Requirements for appointment**

For consideration for appointment to the grade of Senior Auditor, an Auditor I must have:

- Passed Part III of the CPA (K) examination or its recognized equivalent;
- A Bachelor's degree plus a post-graduate qualification (Diploma and above) from any of the Kenyan universities or other recognized universities or institutions, preferably in fields relevant to the audit function such as Auditing, Accounting, Finance, Economics, Mathematics, Statistics, Computer Science, Law, Business Administration, Public Administration or other relevant disciplines;
- A minimum period of three (3) years' service in the grade of Auditor I; and,
- Shown merit and ability in work performance.

**VIII Principal Auditor – Kenao Scale 6****a) Duties and Responsibilities**

A Principal Auditor will head a Branch responsible for audit of a large Ministry/Department, a number of Ministries/Departments, Local Authorities or State Corporations or a Province. He/she may also be deployed in the Specialized Audit Department or in the Finance, Administration, Human Resource and Training Department or assigned any other duty or responsibility the office may deem appropriate. A Principal Auditor will be responsible for the overall supervision and operation of the Branch including day to day administration, staff development and discipline. He/she will also be responsible for the accuracy of accounts, reports or other correspondence emanating from the Branch.

**b) Requirements for appointment**

Appointment to the grade of Principal Auditor will be made from Senior Auditors, who must have:

- Passed Part III of the CPA (K) examination or its recognized equivalent;
- A Bachelor's degree plus a post-graduate qualification (Diploma and above) from any of the Kenyan universities or other recognized universities or institutions, preferably in fields relevant to the audit function such as Auditing, Accounting, Finance, Economics, Mathematics, Statistics, Computer Science, Law, Business Administration, Public Administration or other relevant disciplines;
- At least three (3) years' service in the grade of Senior Auditor;
- Demonstrated administrative capabilities and a high degree of competence in work performance and in managing the audit function or other responsibilities.

NB: The grades of Senior Auditor and Principal Auditor will form a common establishment.

## **IX Assistant Director of Audit – Kenao Scale 5**

### **a) Duties and Responsibilities**

An Assistant Director of Audit will be in-charge of a large Branch, responsible for audit of a Ministry/Department, a number of Ministries/Departments, Local Authorities, State Corporations. He/she may also be in charge of a Sub-division comprising several branches. He/she may also be deployed in the Specialized Audit Department or in the Finance, Administration, Human Resource & Training Department or assigned any other duty or responsibility the office may deem appropriate. An Assistant Director of Audit will be responsible for efficient and effective co-ordination, control and supervision of the Branch or Sub-division, as well as staff development and discipline. He/she will also be responsible for ensuring the completeness and accuracy of all accounts, reports or other correspondence emanating from his/her Branch/Sub-division.

### **b) Requirements for appointment**

A Principal Auditor will be considered for appointment to the grade of Assistant Director of Audit provided he/she has:

- Passed Part III of the CPA (K) examination or its recognized equivalent;
- A Bachelor's degree plus a post-graduate qualification (Diploma and above) from any of the Kenyan universities or other recognized universities or institutions, preferably in fields relevant to the audit function such as Auditing, Accounting, Finance, Economics, Mathematics, Statistics, Computer Science, Law, Business Administration, Public Administration or other relevant disciplines; and,
- Served in the grade of Principal Auditor for a period of not less than three (3) years; and,
- Demonstrated administrative capabilities and a high degree of competence in planning and managing the audit function or other responsibilities.

## **X Deputy Director of Audit – Kenao Scale 4**

### **a) Duties and Responsibilities**

A Deputy Director of Audit will be in-charge of a Sub-division comprising a number of Branches responsible for audit of several Ministries/Departments, Local authorities or State Corporations. He/she may also be deployed in the Specialized Audit Department or in the Finance, Administration, Human Resource & Training Department or assigned any other duty or responsibility the office may deem appropriate. A Deputy Director of Audit will be responsible for efficient and effective organization, co-ordination, control and supervision of all audit or administrative functions falling under the Sub-division. He/she will also be responsible for staff development and discipline in the Sub-division.

**b) Requirements for appointment**

For appointment to the grade of Deputy Director of Audit, an Assistant Director of Audit must have:

- Served as an Assistant Director of Audit for a minimum period of three (3) years;
- Demonstrated wide administrative skills and competence in planning and managing the audit function or other responsibilities.

**XI Director of Audit – Kenao Scale 3****a) Duties and Responsibilities**

A Director of Audit will head an Audit Division comprising a minimum of two Sub-divisions in Central Government, Local Authorities or State Corporations Audit Departments. He/she may also be deployed in the Specialized Audit Department or in the Finance, Administration, Human Resource & Training Department or assigned any other duty or responsibility the office may deem appropriate.

A Director of Audit will be responsible for efficient and effective organization, coordination, control and supervision of all audit or administrative functions in the Division. He/She will also be responsible for staff development and discipline in respect of all officers falling under the Division.

**b) Requirements for appointment**

Appointment to the grade of Director of Audit will be made from officers who have served in the position of Deputy Director of Audit for a minimum period of three (3) years and who must have:

- Shown outstanding competence in managing the audit function or other responsibilities at a high level, matched with broad experience and knowledge of public sector financial management, policies and goals;
- Demonstrated a high degree of administrative capability required for the responsibilities at the level of Director of Audit.

## XII Deputy Auditor-General – Kenao Scale 2

### a) Duties and Responsibilities

A Deputy Auditor-General will be responsible to the Controller & Auditor-General as the head of a department. At this position, a Deputy Auditor-General will be required to efficiently and effectively organize, co-ordinate, control and supervise all audit or administrative functions falling under the department including staff development and discipline. The Deputy Auditor-General will be responsible for setting and maintaining high professional auditing and administrative standards in his/her department. He/she will also be responsible for the completeness and accuracy of all accounts and reports submitted for certification or action by the Controller & Auditor-General.

### b) Requirements for appointment

Appointment to the grade of Deputy Auditor-General will be made from officers who have served in the grade of Director of Audit for a minimum period of three (3) years. In addition, they must have:

- Shown exceptional competence in managing audit or administrative functions at a high level;
- Consistently demonstrated broad knowledge and wide experience of public sector financial management, policies, goals, etc;
- Demonstrated a matching high degree of leadership qualities required at the level of Deputy Auditor-General.

## Annex 5f: Managing probation (NAO)

### Probation period

All new employees can be expected to undertake a probation period before they are confirmed in their post. The period can vary in length but is normally between six months and one year. For specific posts a longer probation period may be required. Probation should be regarded constructively by both management and the new recruits. If management is sensitive to the particular needs of new recruits, the chances of retaining valuable staff are maximised.

A probation period helps the SAI to satisfy itself as to the suitability of the new recruits to fill the posts. It will do this by checking that new staff can meet the minimum requirements of the post including the key objectives, and demonstrate satisfactory standards of conduct, attendance, and timekeeping. At the same time, new recruits must demonstrate their ability to meet the level of competence required for the posts.

### Responsibility for staff on probation

The line managers of the new recruits should be responsible for managing the probationary arrangements. The Human Resources Department will also monitor the performance of staff under probation. The probation period should be closely supervised, so that all new employees have every opportunity to complete it successfully.

All staff have a responsibility to help newcomers settle in, and to give them support during their probation period.

### Performance appraisal for staff on probation

A staff performance appraisal report covering the probation period should be prepared by the immediate supervisor, confirmed by the departmental head and submitted to the Auditor General as Appointing Authority. The probation of staff will be assessed solely and objectively on the basis of their achieved performance, in keeping with SAI's policy on equality and diversity.

### Decision concerning appointment

The Auditor General should verify the performance appraisal reports of members of staff and make a decision concerning the appointments.

Members of staff whose performance and conduct is satisfactory in terms of efficiency, competence and integrity should have their appointment confirmed.

Where the probationary period has been unsatisfactory, the period may be extended once, for a period not exceeding six months, during which the performance should be reviewed again for purposes of determining whether the performance has improved.

The appointment of members of staff who fail to complete the probationary period successfully should be terminated.

The following annexes (5f, g, h, i) are examples to help with the probation process:

Probation policy, processes and management; Responsibilities in the probation process; and Final assessment form.

- Supplement internal human resources and skills by seeking outside expertise from qualified specialists, consultants and technical experts, professional associations and other organizations as needed. The experts may give technical advice to auditors at their request and sometimes accompany auditors during field visits;
- Ensure that the specialists and experts are qualified and have competence in their areas of specialization and should document such assurance – in particular audit staff should be members of internationally recognised accountancy bodies;
- Outsourcing – audits may be contracted out to private firms, as necessary. Outsourcing, which is the use of private sector accounting firms to undertake audits on behalf of the SAI or as part of joint audits with the SAI staff may be considered. The SAI should, however, ensure strict quality control over the output;
- In cases where an SAI requires expert staff who cannot be recruited on the basis of conditions of the civil service, special arrangements should be concluded with them, placing them outside the regular wage scales.

# Annex 5g: Probation policy, processes and management (NAO)

## Policy and the importance of the probation process

Probation is a positive opportunity for both the SAI management and for the individual new to the SAI. First impressions are the key for both sides to determine their future relationship, and both must be happy that they are in the right job, but the final decision on suitability must be made solely on the objective assessment by the manager of the actual performance of the new member of staff during the first 24 weeks.

The aim of the probation period is that SAI is satisfied that the individual is suitable for the post both in terms of basic attendance and behaviour, but also in terms of the individual meeting the basic competencies required for the post and for work in SAI. The outcome of probation is vital because, assuming it is positive, the individual concerned will become a full member of SAI staff with associated employment rights but they will also want to stay with SAI if they have a positive view of their first few months with us.

Individuals, line managers and Human Resources have specific responsibilities during the probation process, but *all* SAI staff should be aware of the need to assist new members of staff to settle into their posts and into the general life of SAI. It is the **line manager** who is directly responsible for managing the probation arrangements and making recommendations as to the suitability of continuing employment of individuals.

The assessment of performance will be made by the line manager initially after 12 weeks from the date of entry into SAI service, at which time any problems will be drawn formally to the attention of the individual in order for them to take appropriate action. The final assessment will then be made by the line manager at the end of 24 weeks from the date of entry into the SAI with a recommendation to the Appointing Authority as to the suitability of retention or otherwise of the individual in SAI.

The Appointing Authority will then confirm the posting, or issue a termination notice which fully explains the reasons for the cessation of service. Once this is formalised, the line manager must agree the objectives for the individual for the remainder of the assessment year.



## Practical management of the probation system

### Responsibilities

The separate responsibilities in the day to day application of the probation process of the individual, their line manager, Human Resources and the Appointing Authority are summarized in Annex 5g. The emphasis throughout is on the key role of the line manager as the person most in touch with the individual.

Annex 5g also acts as a checklist summary of key events and dates, and should be used by all those involved with the probation process as it gives an aide memoire for key actions to be taken, and at which dates.

### Practical application of the process

#### Initial action and explaining the process and purpose of probation

- Human Resources section is responsible for supplying new staff member with all necessary documentation, copies of rules and regulations and passes, introducing individuals to absence management and timekeeping policies, ensuring the individual understands the possibility of non-renewal of contract at the end of the first 12 or 24 weeks, and for obtaining the signature of the new staff member to the agreement to abide by the SAI Code of Conduct and Ethics [Day 1].
- The line manager is responsible for explaining to the individual the purpose and importance of probation, the required standards of performance, behaviour and attendance, details of the process of probation, and the key dates and timescales [Day 1].
- The line manager should provide the individual with details of, and an introduction to, the key individuals assessing them, the monitoring systems used, and all the necessary administrative procedures and systems [During week 1].

#### Setting and agreeing work and personal objectives [During week 1]

Line managers are responsible for setting and agreeing objectives for the new member of staff to cover the detail of realistic but challenging inputs (hours or days to be put into each task) and outputs (the results and standards of quality expected from these inputs).

- The need to meet all key competency standards for the relevant grade as well as technical input of the standard required by the job description must be explained by the line manager to the individual;
- The line manager will outline competency requirements with emphasis on the need for teamwork, building relations with other members of staff and clear lines of written and verbal communications;
- Levels of expected attendance in terms of hours and managing sickness absence must also be explained by the line manager.

### Monitoring and appraising the individuals performance [During weeks 1-24]

- The role of the line manager is key in monitoring progress both on a formal basis using the assessment structure outlined, but also informally in terms of dealing with any sensitive personal issues as they arise. The line manager must hold weekly meetings with the new member of staff to review progress throughout the probation period, and give honest and open feedback to the individual;
- Satisfactory completion of the 24 weeks probationary period is essential for formal appointment of new SAI staff. Thus, at the end of the first 12 weeks after date of entry into SAI service, the manager will complete an interim version of the final assessment form (Annex 5h) and draw attention of the individual to any deficiencies needing correction, and also give encouragement to continue where there are positive signs;
- At the end of the 23 weeks after date of entry into SAI service the manager will complete the final assessment form (5c) and pass it to the responsible Director who will provide agreement or any relevant comments. In turn the form will then be passed to the Appointing Authority for final decision which will be passed to Human Resources for their records, and the issue of the relevant contract or termination notice;
- Poor performance issues should be raised immediately by the manager with the individual, certainly no later than the weekly meeting, and action to improve performance agreed at that regular meeting. Human Resources will be notified of any warnings and can advise on relevant employment law;
- The final assessment form is a legal document and it is therefore very important that backing papers, including examples of outputs and attendance records, are retained with the final assessment. In particular, any warnings or specific points of note arising from the weekly progress meetings must be kept in written form and the individual made aware of the content.

### Supervision, training and general support [weeks 1-24]

- Line managers are responsible for giving new staff the support and guidance needed for them to achieve satisfactory performance by the 24th week of work at the SAI. Line managers should not expect new members of staff to reach satisfactory levels of competence straight away, but they should help new staff reach these levels in a few weeks;
- Line managers are responsible, in conjunction with the individuals concerned, for identifying training needs and ensuring that such training is received at the right time, to help the individual fulfil their duties and develop their skills;
- Training will be arranged by Human Resources section once details of requirements are known and should be adequate to give the required knowledge for the individual to meet competency levels required by the 22nd week of service;
- Human Resources will be responsible for running relevant induction courses at the earliest possible opportunity after the arrival of new members of staff;

- Mentors (experienced staff guiding new recruits through their early days in the SAI) should be appointed for the new staff members to help them settle in and deal with any day to day enquiries or crises, and also to act as a reference point outside of the line management chain. The role of these mentors will be a purely support one, and they will have no formal input into the assessment process. The mentors will play a counselling role in terms of the problems of the new member of staff but any serious personal difficulties should be referred to Human Resources for action.

#### The final decision

- The decision will be based on the assessment form (6c) which will be backed up by relevant evidence. Termination can only take place where the individual has not met the standard required by the competencies in spite of receiving the necessary training and support (hence the need to document this training and support), and where the line manager and the relevant Director agree to recommend this course of action to the Appointing Authority;
- An appointment may be terminated earlier than the end of the 12th week of service if the individual commits a gross breach of discipline or ethical conduct or a criminal offence.

Remember that probation is a two-way process – yes it is vital to the future of the SAI to ensure the right, competent staff are retained, but it is also the most important time for the SAI to make a positive impression on new members of staff.

## Annex 5h: Responsibilities in the probation process (NAO)

	<b>Line manager</b>	<b>Departmental heads</b>	<b>Central human resources</b>	<b>Appointing authority</b>
Day 1	<p>Purpose and key importance of probation process</p> <p>Required standards of behaviour and attendance hours for individuals</p> <p>Key dates for the probation process</p> <p>Required individual performance standards</p>		<p>Provide key necessary documents</p> <p>Provide copies of rules and regulations and</p> <p>Details of absence policy</p> <p>Code of ethics agreement</p>	
Week 1	<p>To whom individual has responsibilities, identifying all relevant staff in the process</p> <p>Details of the monitoring system for each individual on probation</p> <p>Set and agree objectives for individual detailing required work by hours and by deadlines and by quality standards</p> <p>Set and agree individual job description</p> <p>Set and agree evaluation levels for competencies</p>	<p>Agree objectives and individual targets in line with Directorate requirements</p>	<p>Record all individual objectives and comment if seem unreasonable</p>	
Weekly	<p>Regular weekly meetings with individuals to track progress against objectives</p> <p>Highlight deficiencies, issue formal warnings and agree training and methods to improve</p>	<p>Approve formal warnings</p>	<p>Note formal warnings on personnel record</p>	<p>Terminate employment in serious cases</p>
As required	<p>Identify training needs</p>		<p>Provide agreed relevant training at right times</p> <p>Provide induction training for all new staff into role of SAI</p>	
End week 11	<p>Interim completion of assessment form identifying any final deficiencies</p>			
End week 23	<p>Final completion of assessment form with full evidence and recommendation</p>	<p>Endorsement or comment on final recommendation</p>		
End week 22			<p>Note decision, issue contract or official termination</p>	<p>Decision on retention or termination</p>
End week 26	<p>Agree objectives for remainder of assessment year</p>			

Note: **Individuals** also have important responsibilities of their own during the probation process. Throughout the process they must at all times:

- Attend the SAI or audited body office at the required times;
- Follow the ethical standards, core values and Code of Conduct and Ethics policies of the SAI and other relevant rules and regulations pertaining to personal performance;
- Be aware that an assessment is being made of their performance and agree in the first week the detailed objectives to be achieved to meet the required competencies of the grade during the probation period;
- Agree and attend training and development events;
- Attend weekly progress meetings with their manager and actively input their thoughts and conclusions;
- Be active in correcting any deficiencies which are drawn to his or her attention;
- Make full use of the mentor if any problems arise and to help them become a part of the SAI team.

The **Mentor** has a role as a personal guide for the new member of staff and should be willing to discuss any matters or problems that arise; but the mentor will not be a formal part of the probation assessment system and has no input into the final assessment of the individual.

# Annex 5i: Probation final assessment form (NAO)

## Part 1 to be completed by the Line Manager

Name \_\_\_\_\_ Grade \_\_\_\_\_

Date entry to SAI \_\_\_\_\_ Date end 22nd week after entry \_\_\_\_\_

Key points of job description \_\_\_\_\_

Agreed objectives against competencies \_\_\_\_\_

Training undertaken during probation period \_\_\_\_\_

Line managers summary of level of satisfaction with individual performance in meeting objectives and required outputs, quoting specific examples where relevant \_\_\_\_\_

Record of sickness absence \_\_\_\_\_

Overall attendance level \_\_\_\_\_

Overall opinion – Satisfactory YES / NO

Should employment contract be offered YES / NO

If NO, supply detailed reasons and evidence, and confirm that training has been offered and taken.

Signed \_\_\_\_\_

## Part 2 to be completed by Senior Management

DIRECTOR AGREEMENT YES / NO

If NO supply detailed reasoning and evidence

Signed \_\_\_\_\_

AUDITOR GENERAL DECISION  
CONFIRM APPOINTMENT YES / NO

Signed \_\_\_\_\_

## Annex 5j: Promoting the right people (NAO)

Promotion is a means for the SAI to fill a vacancy at a higher grade with an officer already serving in a lower grade. The SAI aims to develop its staff so that, wherever possible, they are prepared for the demands of higher graded posts, or the challenges of new opportunities.

The SAI should develop a transparent system of staff promotion based on performance, experience, inter-personal skills and good conduct. An SAI's promotion arrangements should:

- Ensure that they make the most effective use of the available human resources;
- Develop a systematic approach to promotion that guarantees equal opportunity to all staff;
- Ensure that the promotion exercise is just, transparent and fair and clearly understood by staff;
- Provide realistic opportunities that encourage promising and hardworking staff to take on challenging tasks at a higher level;
- Provide an incentive to staff to work more effectively, by giving recognition to staff who have excelled in performance;
- Attract to the SAI, and retain, efficient and effective employees.

### Declaration of a vacancy

The SAI should ensure maximum awareness of vacancies and should:

- Adopt a policy of open competition whereby all vacancies are declared for filling;
- Consider all staff as potential candidates, who will be free to apply provided they qualify;
- Publish all vacant posts on the staff notice board and on the intranet. Any regional branches should also be informed in writing, particularly in SAIs where there is limited access to the intranet;
- Give priority to serving officers in case of a promotion vacancy. The vacancy may be opened up to the public for filling if there is no suitable internal candidate.

### Selection panel, short-listing, interview and selection

The appointment of the selection panel, the short-listing and interview of candidates, and the selection process should follow the procedures set down in Chapter 7 – Recruitment..

## Annex 6a: Developing a performance appraisal and development system (NAO)

This Annex provides guidance on all aspects of a typical performance appraisal and development system and includes: an overview of the SAI's performance appraisal approach; suggestions, hints and tips on how to.

To be effective and fit for purpose a performance appraisal and development system should:

- Enable all staff to understand better their role in the SAI and enable them to agree and know in advance what is expected of them in terms of competencies and skills;
- Bring clarity in terms of an agreed work plan for each individual stating what is required by when and to what quality standards;
- Delineate what are the key components of the appraisal;
- Enable the introduction of better staff and performance management and potentially improve overall the SAI's outputs in terms of quantity and quality;
- Give recognition to good and very good work;
- Highlight real training needs and enable individuals to set their own development plans;
- Enable the SAI to recognise and act upon skills gaps and prioritise training, making best use of financial resources;
- Encourage more detailed feedback on work done and highlight methods to improve individual performance;
- Introduce objectivity (to counter subjectivity) as far as possible in performance appraisal through measurable achievements;
- Be linked to reward (financial and non-financial) and also to advancement and promotion; and
- Improve and maintain morale overall.

The main features of a typical system could be:

- A single scheme applicable to all staff;
- Performance appraisal and development review discussions to take place annually, with an interim appraisal taking place half way through the review year;
- Managers required and encouraged to have regular dialogue and feedback sessions with their staff throughout the year about their performance and development;
- Recognition of excellent, very good and good performance, and performance where gaps have been identified;



- Identification of areas of training and development for all staff;
- Use of forms and processes that are simple and user-friendly;
- Decisions that are supported by valid and relevant evidence based on an objective assessment of an individual's performance;
- No unfair discrimination takes place, particularly on the grounds of ethnicity, gender, disability, sexual orientation, race, religion or religious beliefs.

As a first step the SAI needs to adopt a competency framework and develop a set of objectives for each member of staff. Both of these issues will be a priority for a performance appraisal and development system.

### What an SAI needs for an effective system

A typical performance appraisal and development system should have as a key component agreed objectives based on agreed work plans at the start of each appraisal year for each member of staff in order for an objective appraisal to be made. In addition, each member of staff will be encouraged to develop their own personal development plan which will help individual career development, and to prioritise training and to emphasise training and development needs.

A typical system should ensure that the evaluation of performance will be done by comparing the achievements in the assessed period with the set objectives by means of evaluation criteria. The objectives should be established annually for each member of staff and must be SMART (specific, measurable, achievable and agreed, relevant and time-related). The system will measure achievements against the objectives for each piece of work and each member of staff, and be based on the job descriptions, work plans and the set of competencies established for the SAI. The timing and quality of outputs can then be measured against newly established norms for each person. Any system must be implemented and applied consistently.

If the system is to work well the SAI should aim to have in place the following conditions:

- Independence for the SAI;
- All staff understand and accept the rationale for a performance system;
- All staff have the opportunity to have meaningful input into establishing the system;
- All staff can see that the system has active senior management support;
- A process whereby delegated responsibility is given to certain staff to act as "middle" or "line" appraisers and who will have more day to day responsibility for individuals and audits;
- A work planning system whereby each member of staff can set and agree work and personal objectives at the start of each year;
- Full personal responsibility accepted by staff at all levels including making their own initial appraisal of their performance;

- Willingness to make the system work by giving and listening to feedback, taking criticism and praise equally;
- Managers and leaders making honest appraisals based only on evidence, not on personal opinions not backed up by facts;
- All staff are treated equally in terms of only considering their performance in the specific period under review.

Although it is not expected that all SAIs will have each of these aims fully in place from day one of any new system, the basis of each of the aims should be at least discussed and accepted for any system to work effectively and be “bought in” by everyone in the SAI.

### A typical performance appraisal and development system

Guidance on a performance appraisal and development system and how it could operate is at Annex 6b. In this example performance against the work plans are assessed (firstly by staff themselves then by their appraisers) using a series of agreed benchmarks on the work and also evidence of the application (or otherwise) of competencies (competencies have been dealt with in Chapter 4). Annex 6c shows a draft of a form for setting and agreeing individual objectives and Annex 6d has an explanatory note on objective setting, together with examples of objectives for a financial auditor, a performance auditor and a member of the support staff.

The appraisal process then follows an open and honest discussion process (Annex 6e is an example of a framework for discussion form). The appraisal contains not just the performance appraisal, but also a development and skills needs proposal for each individual based on the appraisal. An example of a final appraisal form is at Annex 6f.

A mid-year appraisal should also take place to discuss how individuals are meeting (or otherwise) their objectives and what can be done to improve performance (if necessary) during the remainder of the year and before it is too late when annual appraisal time comes round.

The final appraisal will be made at the end of the reporting year, and then passed to the Reviewing Officer for approval or comment. The individual will see the final appraisal and all the comments made by appraiser and the Reviewing Officer in order to understand why the particular level/marking has been given. A formal appeal system should also be put into place – experience suggests that once everyone at all levels becomes used to the system, appeals will be minimised.

### Responsibilities

Individual members of staff, line managers, departmental heads and Human Resources all have obligations to see that the performance system works well. These are set out as part of the framework of human resources responsibilities at Annex 2a. In addition the SAI may want to set up a training committee comprising interested senior members of staff with Human Resources providing secretarial support. In addition the SAI might want to set up a review panel to ensure consistency of marking standards across the SAI and to deal with any appeals from staff against the rating assessment.

## The Appraisal Stages

There are four stages of appraisal:

- 1 Planning;
- 2 Reviewing;
- 3 Evaluation;
- 4 Monitoring.

### Planning

- It is the responsibility of line managers to ensure that there is an up-to-date job description and forward job plan for each individual. The objectives set out in the forward job plan will have been established using the SMART principle.

### Reviewing

- There should be continuous dialogue between line managers and individuals throughout the appraisal period, and two formal reviews during the year – the interim appraisal half way through the year and the final appraisal at the end of the year;
- It is the responsibility of the line manager to arrange the meetings which should be held in a suitable environment without any interruptions;
- The meetings should focus on:
  - The purpose of the meeting;
  - The views from both the appraisee and the appraiser on the achievement of objectives, and areas for improvement which should be based on specific examples;
  - The likely rating;
  - Amendments to new objectives;
  - Any follow up action required; and
  - An agreed record of the proceedings.

### Evaluation

This is the final stage of the review whereby a formal record of achievements by an individual should be recorded on the appraisal for the year. The following steps should be followed:

- All reporting officers should ensure that all appraisals are completed and submitted by the deadline set by Human Resources;
- The appraisal report should be completed by the appraisee (self-assessment) or the appraiser based on the appraisal discussion;
- The appraiser should determine a rating and discuss this with the counter signing officer before the report is finalised;

- The evaluation stage must emphasise evidence to support the report and the rating;
- In case of any difference of opinion between the appraisee and appraiser, effort should be made to resolve them or adjourn the meeting and reconvene if necessary;
- In case of failure to agree a final appeal should be made to the Head of HR who should act as arbitrator.

### Monitoring

- The monitoring process is a continuous process throughout the appraisal year, checking that standards are being upheld and that the system is achieving its purpose;
- Both the appraiser and the appraisee have a responsibility to ensure that the system works; and
- An assessment of consistency and quality of standards should be done by senior management at the end of each appraisal year.

## Annex 6b: How to manage a performance appraisal and development system (NAO)

This Annex provides guidance on all aspects of a typical performance appraisal and development system and includes: an overview of the SAI's performance appraisal approach; suggestions, hints and tips on how to manage and develop performance; and detailed guidance on how to carry out staff appraisals.

### Performance Management Overview

To support the delivery of its work and to achieve greater impacts for its clients the SAI needs to maximise the calibre and contribution of its workforce and use its staffing resources flexibly and efficiently. All staff must manage and improve their performance, and develop their skills so that everyone is well placed to contribute fully to the projects to which they are assigned. Staff also need to develop their capacity to work across a variety of assignments and adapt quickly to working with different colleagues. By getting the best out of each other staff will help maximise everyone's contribution to the SAI's on-going success.

Effective performance management requires staff to:

- Deliver against agreed objectives;
- Seek feedback from others and use this to identify areas for improvement and development;
- Take action to improve skills and performance and reach full potential;
- Make career choices based on a realistic view of own capability and potential.

Staff also need to help others by:

- Providing regular, honest and balanced feedback and recognising their achievements;
- Providing opportunities to experience new challenges and apply new skills;
- Taking action to address areas for performance improvement;
- Challenging and supporting others to raise their performance and to realise their full potential;
- Facilitating informed career choices through honest and timely feedback on performance and potential for career progression.

### Equality, Diversity and Performance

Staff are more likely to give of their best if they are treated fairly and feel valued as individuals. Indeed the future success of the SAI depends on the identification, development and application of the diverse range of skills and experiences held by its staff, who can all reflect the SAI's commitment to equality and diversity by:

- Finding out what people are able to do rather than making stereotype assumptions about their capability;
- Treating everyone with respect and dignity and avoiding unfair favouritism;
- Developing an awareness of cultural norms and being careful not to misinterpret a person's behaviour;
- Focusing on the skills and experience of individuals rather than their personal characteristics;
- Getting to know those working in our teams and making an effort to understand their work as well as the issues and challenges they face;
- Being consistent and fair when agreeing assignment allocations and individual objectives and when assessing and rating performance and potential. Judgements should not be affected by personal prejudice or unfair consideration of a person's ethnic or racial origin, disability, age, sexual orientation, gender, part time/ full time status, marital status or trade union activities;
- Encouraging staff neither to exaggerate nor to underplay their personal contribution to achievements and successes;
- Providing relevant feedback and development opportunities for everyone.

## Setting objectives

### Linking objectives to plans:

- Objectives are agreed between the manager and the staff member at the beginning of each reporting year. The objectives should relate to the plans of the area in which the work is carried out, which should in turn reflect corporate plans and objectives;
- Care should be taken not to repeat simply last year's objectives without referring to the work plans for an area and Office for the forthcoming year;
- If in doubt discuss the objectives in draft form with the manager and, if necessary, with the HR team who can advise on any improvements.

### Highlighting exceptional objectives:

- Where someone has demonstrated the potential to tackle more demanding work than that normally expected of the grade, the staff member and manager may agree to set more challenging objectives in line with capabilities of the individual. Conversely, it might be appropriate to set less challenging objectives, particularly where someone is new to the grade or to the job;
- In all cases managers must at the outset make it clear if they consider objectives to be exceptional, or that the post is heavily loaded, or that the objectives set are less challenging than usual for the grade. In such cases, the manager must indicate how these facts will be recognised in the annual performance appraisal reviews.

### Reviewing objectives:

- Objectives should be reviewed throughout the year to ensure that they remain relevant and take account of changing circumstances or priorities. Amendments must be agreed between the staff member and the manager, and they must be recorded.

### Performance Appraisal Criteria

Appraisals will be based on performance against objectives, demonstrated competencies and the development of skills. Appraisals will also take into account attendance and absence. Taken together, delivery against objectives and the framework of expected levels of performance provide a picture of the standards staff need to achieve.

The appraisal criteria can be used to:

- Clarify the standard of performance the SAI expects from staff;
- Inform discussions of performance and progress with line appraisers;
- Promote positive business behaviours and discourage negatives;
- Identify strengths and areas for improvement;
- Define development objectives and monitor progress;
- Identify relevant development activities to address needs;
- Assess and rate performance;
- Get the best from staff;
- Inform consideration of potential for career progression and career development plans.

Consideration of performance will be based on the SAIs core competency framework.

Performance appraisal should make direct reference to those competencies which have either contributed to stronger aspects of performance as well as those which may require further development. Technical skills and knowledge also make a key contribution to the delivery of work and will be actively reviewed as part of the annual performance Appraisal, to help inform the future development plan and update the SAIs skills database.

### Personal Development Plans

Personal Development Plans will be agreed following discussions with appraisers and will set out a clear set of development objectives for the next twelve months. These will relate to the attainment/development of specific skills, exposure to particular areas of work or clients and the development of competencies. PDPs will take into account current responsibility level and realistic career aspirations and will be used to help inform the allocation to individual work assignments. They will be reviewed with appraisers during the course of the year and also as part of the annual performance appraisal discussion.

## Performance Appraisal

The appraisal process requires all staff to discuss their performance and potential openly and honestly and to provide a clear and honest appraisal. The formal appraisal process involves:

- **Performance Planning** – agreeing a balanced framework of objectives (Annex 6c) with appraiser, based on agreed work plans and required skills competencies (Annex 4a), for the annual appraisal period 1 September to 31 August.
- **Appraisal discussions** including an interim appraisal covering the first six months of the appraisal year, and an annual appraisal covering the full year. Discussions should be an open review of performance strengths and areas for improvement against objectives and SAI competencies. Discussions should also focus on potential for career progression as well as progress against development objectives and plans for the period ahead.
- **Recording the appraisal discussion** – the appraisee summarises the key points of the discussion on the Final Appraisal Form (Annex 6f) The appraiser may add further specific comments before summarising the overall standard of performance achieved.
- **Appraisal ratings** – the appraiser will make an indicative rating of performance over the period in one of four performance categories: A, B, C or D, and will consider performance against the expected standards for the grade and relative to others at the same level, taking into account each individual's performance against their objectives and will submit this to the Reviewing Officer for moderation. Ratings of performance and potential will only be disclosed following completion of the SAI's moderation process.

## Seeking and giving performance feedback

Staff should discuss their performance and progress on each of their objectives with their appraiser on a regular basis, and as a minimum at the end of each assignment. This will help to:

- Clarify the standard of performance needed to achieve the objective;
- Review progress against objectives;
- Consider strengths and areas for improvement;
- Reflect on the **competencies** exhibited;
- Recognise achievements and encourage further success;
- Consider the development of technical, management and client skills.

The **Performance Discussion Framework** (Annex 6e) provides an aide-memoire for issues that should be covered when preparing and holding discussions about performance and progress. The discussions should be:

- **Timely and regular** – as soon as someone has completed an assignment. Discussing areas for improvement should not be left for the formal interim and annual appraisal discussion. Appraisers should carry out these discussions with appraisees immediately an assignment comes to an end to ensure that the discussion focuses upon issues that are still fresh in the mind and that there is full coverage of an appraisee's direct work throughout the year.



- **Honest and balanced** – covering strengths and achievements ('what you did well was...') and areas for improvement ('you could do better in future if you...'). Discussing areas for improvement is in everyone's best interest and should not be avoided;
- **Constructive** – providing an opportunity to give encouragement, recognition, thanks and credit for contributing to success.
- **Specific** – covering relevant examples, including where performance has fallen short of the expected standard.
- **Two-way** – ask open questions (e.g. 'talk me through how you approached this'... 'tell me about what you think you could have done better...') as well as provide comments and information. When seeking feedback staff should first evaluate their own performance objectively before asking for comments from the appraiser or colleagues.
- **Action-oriented** – consider actions to build on strengths and address areas for improvement.

### Interim and annual appraisal discussions

Discussions between the appraiser and appraisee about performance should take place as regularly as is practicable. However, interim and annual appraisal discussions provide an opportunity for a formal review of performance and a chance to look forward to what needs to be achieved. They also provide an opportunity to discuss the potential for career progression and identify any relevant actions to help realise career potential or take stock of options. Staff may find this guidance helpful when preparing for and holding formal appraisal discussions.

### Aim of the discussion

- Complete a thorough and open review of performance, including achievements and areas for improvement;
- Discuss strengths and areas for improvement with reference to the full range of the SAI's competencies;
- Review progress against development plans and agree actions to enable further improvement and development;
- Discuss potential for career progression and review development plan;
- Look ahead, confirming objectives for the coming period and any action that should be taken;
- Produce a formal, but brief, record of the main points from the discussion;
- Agree any action that should be taken.

## Preparing for the discussion

When preparing for the interim and annual appraisal discussions, staff should:

- Work through the performance discussion framework ahead of the meeting;
- Seek feedback from others who would be able to comment on performance;
- Agree a date for the appraisal discussion that would give sufficient time for preparation.

## Holding the discussion

The interim and annual appraisal discussion should be an open and constructive two-way discussion. Both appraisee and appraiser should feel that they have had a chance to say what they want and feel they have been listened to.

The discussion should include consideration of what has been achieved (objectives) as well as how it has been achieved (competencies). This provides a robust starting point for recognising achievement, identifying opportunities for further improvement, and considering potential for career progression. The discussion should include a review of recent performance, but should also be forward looking for example identifying actions to enable further improvement.

The discussion should include:

- **Introduction** – the appraiser should put the appraisee at ease and cover the aim, structure and timing of the discussion. The introduction should set the tone for example by highlighting that the discussion should be two-way, open and constructive.
- **Review of strengths and positive aspects of performance** – The appraiser could begin with an open question, such as talk me through the things you think have gone well, and provide feedback and praise for specific positive aspects of performance, both in terms of the objectives and the full range of competencies.
- **Review of areas for improvement** – The appraiser could usefully begin with an open question, such as ‘talk me through the things you think could have gone better’, then go on to give feedback and highlight specific aspects of performance where there is scope for improvement. This should be in terms of performance against objectives and the full range of competencies. It should be made clear if performance has been below the required standard.
- **Review of other issues** – Appraisal discussions provide a useful forum for discussing openly any wider issues such as barriers to performance and what action could be taken to overcome them.
- **Review of progress against development plan** – Discuss progress to date and areas where further development should be made. Clarify relevant actions that the individual should focus upon to address areas for development.

- **Review of potential for career progression** – Discuss potential for career progression within the SAI and how realistic an individual’s career goals would be. It is also an opportunity to discuss what actions an individual should focus upon to evidence their potential more clearly, should they already have shown some evidence of potential for career progression. In some cases, it may also be helpful to discuss whether the individual’s career would be better served outside the SAI.
- **Agree actions and look ahead** – Be clear about the actions to be taken following the discussion, for example to address areas for improvement, or to improve arrangements for feedback and management support. It should be clear who should do what, by when and to what standard.
- **Summary** – The appraisee and the appraiser should summarise clearly the main points or conclusions towards the end of your discussion.
- **Next Steps** – Finally, the appraisee and the appraiser should agree the next steps in the process, including completion of the self-appraisal.

The interim appraisal should cover performance for the first six months of the appraisal year. The annual appraisal discussion should cover performance over the year as a whole.

If performance has fallen short of the required standard, then this must be made clear to the appraisee during the discussion, and it may be necessary to follow the procedure for dealing with poor performance.

### Recording the discussion

The main points arising from the formal appraisal discussion should be recorded by the appraisee using the record of appraisal form. This should be in brief bullet point format not lengthy narrative. It is not designed to be a record of everything that has been achieved or discussed but rather a summary of key points from the discussion, including the main strengths and the key areas for improvement and development.

The appraisee should then submit the self-appraisal to the appraiser to record his or her key point summary of the appraisal discussion. Appraisers do not need to repeat points that have already been accurately recorded by the appraisee. The appraiser should assign indicative ratings for performance and potential and submit the completed form to the Reviewing Officer. Following this process the appraiser may disclose the rating (moderated if necessary). After disclosure, the appraisee may then complete the final section by providing any comments.

### Determining appraisal ratings

Performance appraisal ratings provide a summary of the overall standard of achieved performance. To determine the rating, the appraiser will consider performance across the agreed objectives and across the full range of core competencies. The appraiser will determine which of the rating categories provides the closest fit to the achieved performance, and the expected profile will help appraisers gauge performance and ensure consistency.

Here is a broad indication of the standards of performance at each performance level, though it is not intended to be exhaustive or prescriptive:

**A****In comparison to most staff, those rated A are likely to have:**

- Consistently delivered a strong performance across all the competencies. Excelled in terms of some competencies
- Consistently delivered a strong performance against a wide ranging and challenging set of objectives relating to: work delivery and impact on clients; key management challenges and contribution to the wider team; and wider contribution to the team and SAI initiatives
- Achieved some objectives that are particularly challenging for the grade
- Made significant progress against a challenging development plan, showing clear progress across a wide range of professional and managerial skills
- Achieved a higher standard and quality of performance overall

**B****In comparison to most staff, those rated B are likely to have::**

- Consistently delivered a reliable and acceptable performance across the competencies
- Consistently delivered a standard and quality of performance that is acceptable and reliable against the full balanced framework of objectives
- Demonstrated some clear strengths in terms of what has been achieved (objectives) and how he or she has contributed (competencies)
- Made good progress against the development plan; has developed against the range of competencies
- Delivered a standard and quality of performance similar to the majority of his or her colleagues in the same grade

**C****In comparison to most staff, those rated C are likely to have:**

- Delivered a sound performance against some of the competencies, though some aspects of performance will have been less polished or consistent
- Delivered some objectives to the required standard, although performance on other aspects of the role will have been less accomplished or reliable, and the scope of achievement relatively narrow
- Needed more management support than his or her colleagues in order to perform and deliver
- Made some progress against the development plan, but this has been relatively limited in pace and scope
- Achieved a weaker standard and quality of performance overall

D
<p><b>In comparison to most staff, those rated D are likely to have:</b></p> <ul style="list-style-type: none"> <li>● Not achieved the required level for the grade against key competencies, though some aspects of performance may have been satisfactory</li> <li>● Did not deliver key objectives to the required standard, performance on other aspects of the role will have been unsatisfactory or unreliable</li> <li>● Needed more management support than the grade should require in order to perform satisfactorily</li> <li>● Made little or no progress against development plan</li> <li>● Achieved a weak standard and quality of performance overall</li> <li>● Few signs of progress following previous warnings concerning performance</li> </ul>

These definitions are intended to provide a helpful guideline, but they are inevitably subject to interpretation in individual cases. On their own they are unlikely to represent a sufficient safeguard of consistency across the SAI, or against any erosion of marking standards. The SAI could, therefore, underpin the appraisal framework by making explicit the profile of marks that it would expect to see, and which is set out below.

Performance appraisal rating category	Summary
A	Consistently delivered a strong performance across the range of competencies and objectives and at a level which exceeds that of the majority of staff
B	Consistently delivered a reliable performance, with some clear strengths demonstrated across the competencies and in achieving objectives
C	Elements of performance have been sound, though with mixed success across the range of responsibilities
D	Currently not performing to the standard expected of the grade and will therefore be subject to following the procedure for managing under-performance and will not be rated in the appraisal process until this has been resolved

There would, however, be scope within the profile for variation within particular groups or grades providing these were explained and justified.

Senior Management will review the expected profile from year to year as part of its review of performance ratings in light of a range of factors, including corporate performance, rates of turnover, promotion opportunities and relevant corporate initiatives. Staff will be made aware of any change to the expected profile.

## Review and moderation of appraisal ratings

To ensure consistency of marking standards across the SAI, a review meeting will be held with Senior Management chaired by the Director of Human Resources. Confirmed ratings of performance and potential will only be disclosed following completion of this moderation process.

The following performance criteria may be helpful when reviewing the performance of staff. They are not prescriptive or exhaustive but provide a reference point for discussion:

- Delivery of accounts/ studies/ objectives to budget, time and quality;
- Delivery of other projects to budget, time and quality and completion of work or other activities on top of normal duties;
- Demonstration of a well-rounded set of skills and competencies;
- Relative workload and complexity of work in relation to the expectations of the grade/ specialism and the hours of work (part-time or full-time status);
- Management of staff, including the impact of action taken;
- Exam performance (trainees);
- Mix and challenge of work;
- Wider contribution and impact (team, area, and the SAI);
- Sharing knowledge and best practice;
- Operating in the corporate interest;
- Reasonableness/ validity of time charged to indirect codes not related to participation in wider initiatives.

## Disclosure

Once the full moderation process has been completed, the appraisal will be disclosed. There is scope for the appraisee to comment on the appraisal and meet with the appraiser to:

- Discuss the appraisal, and the appraisal of performance and potential in particular;
- Firm up on any changes to the Personnel Development Plan;
- Resolve any queries, the majority of which should be handled informally. If, after discussion, there seems to be grounds for appeal against the appraisal, the appeal procedure should be followed.

## Annex 6c: Balanced framework of objectives (NAO)

Line Appraiser endorsement:	Review Period:
	Date:

Objectives	Optional Notes
1. Our work and clients	
2. Our people and teams	
3. Wider contribution	
4. Development plan	

## Annex 6d: Balanced framework of objectives – explanatory note (NAO)

This framework is intended to help you discuss with your Appraiser your aims and targets for the year ahead. Particularly challenging objectives can help stretch and develop you in your current grade or role, or help prepare you for progression. Your aims and targets should reflect:

### Your work and clients

The key work you will deliver in the period, including realistic timescales and costs, as well as the positive impacts you will make through your work and your working relationships with internal and external clients.

### Your people and teams

Working with your colleagues and team(s), including: your key management challenges; and your contribution to the work, performance, improvement or development of others and the team or teams with whom you work.

### Wider Contribution

Your contribution to the wider work of your Unit and the Office, including initiatives that may be outside your immediate area of responsibility.

### Development Plan

Your realistic longer-term career aspirations and specific development objectives. These objectives may span more than one review period.

### Setting objectives

Objectives should be:

**Clear and relevant** – to the area, Unit and Office business goals and consistent with corporate objectives, vision, mission and values.

**Forward looking** – aimed at helping both appraisee and appraiser achieve realistic career development goals and develop further the work of the SAI.

**Tailored** – to motivate and challenge, taking account of skills, development needs, aspirations and potential, as well as the specific needs of the business. Objectives should be SMART – specific, measurable, achievable, relevant and time-related.

**Fresh and current** – updated at any time during the review period as the work or circumstances change. Objectives from previous review periods should only be included if they remain relevant.



When agreeing objectives with the appraiser, the appraisee should discuss the challenges that the objectives present, including:

- The complexity of the work and the level of challenge in relation to the expectations of your grade and hours of work (part-time or full-time status);
- The responsibilities and workload, as well as time or resource pressures;
- The competencies required, including staff management and leadership;
- Client contact and the profile of the work.

## Balanced framework of objectives: example Financial Auditor

<b>Name:</b> A Financial Auditor	<b>Review Period:</b>
<b>Line Appraiser endorsement:</b>	<b>Date:</b>

Objectives	Optional Notes
<p><b>1. Our work and clients</b></p> <p><b>Target 1:</b> To undertake to SAI standards the completion of the audit of the Ministry for xxxx:</p> <ul style="list-style-type: none"> <li>● To complete the planning process including all audit programs and methods by xxxx</li> <li>● To complete the audit using sound sampling strategies and audit approaches by xxxx</li> <li>● To use correct analytical techniques and judgement to come to sound conclusions based on evidence collated</li> <li>● To complete the write up and report of findings by xxx</li> </ul> <p><b>Target 2:</b> To foster positive relations with the audited body and to represent the SAI in a professional courteous and confident manner at all times</p>	<p><b>Measures</b></p> <p>Planning process completed to SAI standards by xxx.</p> <p>Review audit completed xxxx using sampling strategies and audit approaches.</p> <p>Use of appropriate analytical tools and sound judgements made based on evidence.</p> <p>Report complete by xxxx</p> <p>Feedback from key clients</p>
<p><b>2. Our people and teams</b></p> <p><b>Target 3:</b> To become a proactive member of the audit team, listening to and contributing to the quality of work outputs of the team throughout the year.</p>	<p>Feedback from team members, evidence of work outputs achieved by the team</p>
<p><b>3. Wider contribution</b></p> <p><b>Target 4:</b> To contribute and share best practices from audit methodologies and outputs both within and outside the SAI.</p>	<p>Evidence from clients, both inside and outside of SAI and from colleagues that best practice is being shared and used</p>
<p><b>4. Development plan</b></p> <p><b>Target 5:</b> To attend financial audit update training.</p>	<p>Attendance at training and noted improvement in understanding</p>

### Balanced framework of objectives: example Performance Auditor

<b>Name:</b> A Performance Auditor	<b>Review Period:</b>
<b>Line Appraiser endorsement:</b>	<b>Date:</b>

Objectives	Optional Notes
<p><b>1. Our work and clients</b></p> <p><b>Target 1:</b> To submit a performance audit report on hospital building to management by xxxx:</p> <ul style="list-style-type: none"> <li>● To complete the field work by xxxx</li> <li>● To draft and submit to management first draft report by xxxx</li> <li>● To revise draft report and submit to auditee by xxxx</li> <li>● To submit final draft report to management by xxxx</li> </ul> <p><b>Target 2:</b> To foster positive relations with the audited body and to represent the SAI in a professional courteous and confident manner at all times</p>	<p><b>Measures</b></p> <p>Draft report to required standard</p> <p>Amount of redrafting required</p> <p>Feedback from auditee</p> <p>Quality of final report</p> <p>Feedback from key clients</p>
<p><b>2. Our people and teams</b></p> <p><b>Target 3:</b> To become a proactive member of my audit team, listening to and contributing to the quality of work outputs of the team throughout the year.</p>	<p>Feedback from team members, evidence of work outputs achieved by the team</p>
<p><b>3. Wider contribution</b></p> <p><b>Target 4:</b> To contribute and share best practices from audit methodologies and outputs both within and outside the SAI.</p>	<p>Evidence from clients, both inside and outside of SAI and from colleagues that best practice is being shared and used</p>
<p><b>4. Development plan</b></p> <p><b>Target 5:</b> To attend report writing skills training.</p>	<p>Attendance at training and noted improvement in report drafting</p>

## Balanced framework of objectives: example Support Staff

<b>Name:</b> A Support	<b>Review Period:</b>
<b>Line Appraiser endorsement:</b>	<b>Date:</b>

Objectives	Optional Notes
<p><b>1. Our work and clients</b></p> <p><b>Target 1:</b> To deliver work to agreed time, budget and quality standards including:</p> <ul style="list-style-type: none"> <li>● To provide high quality support to both management and their teams</li> <li>● To attend weekly briefing meetings with management and their teams.</li> <li>● To attend and participate in the Area's monthly progress meeting</li> </ul>	<p><b>Measures</b></p> <p>Reports from RMS</p> <p>Degree to which quality standards are met</p> <p>Feedback from management and teams</p> <p>Attendance at weekly briefing meetings</p> <p>Provide relevant input at monthly progress briefings</p>
<p><b>2. Our people and teams</b></p> <p><b>Target 2:</b> To be friendly, helpful and courteous at all times and to improve client relations.</p> <p><b>Target 3:</b> Establish good working relationship within the teams and office-wide.</p> <p><b>Target 4:</b> To assist team members with their projects as and when required in order that all deadlines may be met and to help with the smooth running of the Area.</p>	<p>Feedback from clients and internal</p> <p>Feedback from team and colleagues.</p> <p>More effective team working.</p> <p>Feedback from team members.</p> <p>Have deadlines been met, how have problems or obstacles been overcome?</p>
<p><b>3. Wider contribution</b></p> <p><b>Target 5:</b> To contribute and share best practices from work methodologies and outputs both within and outside the SAI.</p>	<p>Evidence from colleagues and clients (internal) that work methodologies are being shared and adopted into work processes.</p>
<p><b>4. Development plan</b></p> <p><b>Target 6:</b> To meet personal development and learning needs through attending courses, seminars and by self-learning as agreed with supervisor.</p>	<p>Attendance at courses and seminars.</p> <p>In-house learning from peers and through self-taught approaches.</p> <p>Increased behaviours and skills in key competency areas.</p>

## Annex 6e: Discussion framework for appraisal meeting (NAO)

### Performance discussion framework

#### Strengths

1. What evidence is there of what has been done well?
2. Which competencies have contributed to success or progress?

#### Areas for improvement

3. What could have been done better?
4. Which competencies could have been demonstrated more effectively or consistently to enable better performance or progress?

#### Other issues

5. Are there any barriers to performance or progress, and how can they be overcome?
6. What progress has been made in terms of addressing areas for performance improvement and development needs, and what more needs to be done?
7. What is your realistic career potential in the SAI, and how can you work towards achieving your goals?
8. Do the objectives (including the development plan) need to be revised?
9. What are the agreed actions from this discussion?

## Annex 6f: Record of appraisal discussion (NAO)

Appraisee's Information and Comments	
<p>You should summarise the key points that were discussed and agreed with your Line Appraiser at your appraisal discussion. Please complete each section and save it or tab to the next section to continue. At the end of the form you may save your comments for further editing prior to submission or submit them to your Line Appraiser.</p>	
<b>Appraisee Name:</b>	A N Auditor
<b>Appraisal Year:</b>	20xx
<b>Grade Assessed At:</b>	Senior Auditor
<b>Specialism:</b>	Financial Audit
<b>Rating Obtained:</b>	B
<b>Disclosure Date:</b>	
<b>Line Appraiser:</b>	A Appraiser
<b>Appraisal Type:</b>	Annual
<b>Reviewing Appraiser:</b>	A Senior Appraiser
<p><b>Strengths:</b></p> <p>With reference to the core competencies please comment on the things that you did well during the reporting period</p>	
<p><b>Areas for improvement:</b></p> <p>With reference to the core competencies please comment on the things you could have done better during the reporting period.</p>	
<p><b>Development of skills/experience:</b></p> <p>Please comment on the skills and experience that you have been able to develop in the period.</p>	
<p><b>Actions to enable improvement/development:</b></p> <p>Please summarise further actions to build performance improvement and further development.</p>	
Appraiser's Information and Comments	
<p>Appraisers are not expected to repeat the relevant points accurately recorded by the appraisee in his/her key point summary, but should highlight (by clicking on the relevant boxes) particular strengths and areas for improvement (providing any further clarification of points recorded by the appraisee where necessary) and summarise the overall standard of performance achieved. The Line Appraiser should also comment if necessary on the summary details of the appraisee's absence record (derived from e-absence).</p>	

Sick Absence Record:

Number of sick days in reporting period. 0    Number of incidents in reporting period. 0

Comments:

**Key Strengths:**

**Key Areas for Improvement/Development:**

**Overall Standard Achieved:**

**Any other comments:**

### Reviewing Appraiser's Comments

Reviewing Appraisers should give a performance rating of A, B, C or D in the box below. Under comments, Reviewing Appraisers are not required to repeat comments already made by the appraisee or by the Line Appraiser but may wish to comment briefly on the overall performance achieved by the appraisee and highlight particular achievements and priorities for improvement and development.

**Appraisal rating**

**Comments:**

**Appraisal Of Potential:**

He/ she has shown clearly the potential for career progression within the next 3 to 4 years

Potential for career progression has not been demonstrated sufficiently clearly or potential rating is not required ie. for staff rated 'C' or D

**Appraisal Of Potential Comments:**

### Part 5: Appraisee Comments

**Please provide any comments on the remarks you have received for this appraisal.**

## Annex 6g: Managing poor performers (NAO)

When the overall performance of a member of staff begins to fall below an acceptable standard for the grade, action needs to be taken. Waiting and hoping things might improve is not good management practice.

### How should this situation be managed?

If the appraisal process is working well line managers should become aware at an early stage of deteriorating performance. This situation may be discussed as part of the normal feedback process or in a special meeting arranged with the staff member so that you can express your concern, and enquire whether there is any specific event that might have caused the poor performance.

The line manager should be firm but supportive. The poor performance might be linked to personal problems such as health, domestic, or financial, or it might be linked to problems at work. For personal issues the officer might need to take specialist advice, and the manager can facilitate this process by referring the officer to Human Resources, who should be able either to provide expert help, or arrange for welfare support or counselling. HR should also consider whether there is a personality clash between the officer and the manager, and the solution could be to transfer the officer to work with a different manager.

Where the problem is clearly work related you should remind the officer that poor performance is not acceptable and that you will give them adequate time and where appropriate management support to reverse the poor performance. You will need to assess if the post is appropriately loaded for the grade and whether duties need to be reassigned. You may also need to assess whether attendance at a training course will be beneficial and give the officer more confidence. You should remember to advise the officer that if no improvement is noted then you will have to issue them with a written warning.

Line managers should:

- Give the officer sufficient time to improve (say four to six weeks);
- Monitor the officer throughout this period to see if there is any improvement;
- Be supportive but firm; but
- Do not abandon as a case that is too difficult to deal with or that you are too busy to resolve.



After six weeks you should be in a position to note any improvement which should be formally recorded and placed on the personal file. If there is no improvement then a formal written warning should be issued. This should be followed up by a further meeting to discuss the problem and to consider whether anything can be done to improve the performance. Line managers should allow a further three weeks for this stage following which a final formal warning can be issued in accordance with the staff regulations.

You will need to stress the seriousness of poor performance and the likely impact on their career in the SAI or, if dismissal is recommended, the impact of securing any future employment.

### Senior management review

Senior management will review each case of poor performance brought to its attention. It will ensure that all the laid down procedures have been adhered to and provide impartial oversight of the case to ensure that any decision to dismiss an officer is made for sound management reasons and not personally motivated.

## Annex 6h: Personnel welfare, reward and retention (NAO)

Salaries and allowances, personnel welfare and benefits for SAI are often covered under the public service regulations in most states. SAI staff receive salaries similar to their counterparts in equivalent grades/levels in the other branches of the public sector. However, real independence equals the right to set own salaries and terms and conditions for the SAI. Working conditions and salaries in the SAI should be made sufficiently attractive to retain the services of experienced personnel. But these salaries must be justified by meeting competency requirements and they must be based on challenging objectives.

SAIs should have a suitable reward scheme to commend or reward employees who meet or exceed clearly defined and transparent standards of high performance. An SAI may consider the following incentives:

- Recognition of excellent work or contribution, such as naming and honouring the Auditor of the Year. Certificate of Excellence for outstanding performance may also be introduced;
- Additional financial remuneration/benefits to the auditors may be considered for excellent work but normal pay levels should assume good quality work outputs;
- Staff remuneration and promotion to be based on considered assessments of competencies, performance and experience, informed by comprehensive appraisal process and assessment centre courses for more senior promotions;
- As a powerful and meaningful incentive, high performers may be allowed to opt for training courses, domestically and internationally.

Where an SAI has the power to set its own terms and conditions, then it needs to ensure that such terms and conditions are pitched at the appropriate level – sufficient to recruit and retain good staff but not so much that it becomes disproportionate to other public sector rewards. Some SAIs have undertaken comparative exercises with private sector accounting and auditing firms and with leading public sector departments and agencies. In doing so these SAIs have had to be mindful of the public sector direct benefits such as pensions and job security as well as the intrinsic benefits associated with the public sector ethos.

# Annex 6i: Performance Assessment Scheme Kit (ANAO)

Australian National Audit Office

## Performance Assessment Scheme

### Policy and Guide

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## What is the Performance Assessment Scheme?

The Australian National Audit Office (ANAO) has a Performance Assessment Scheme (PAS) that provides supervisors with a tool to assist them manage the performance of staff and ensure that work performance and output is aligned with corporate and Service Group objectives. It also provides a mechanism for identifying and rewarding high levels of performance and behaviors and improving performance that is not up to the required standard.

The PAS requires supervisors and their staff to regularly discuss work performance – to clarify mutual expectations and to give feedback and recognition for achievements.

The PAS cycle is 1 November to 31 October each year.

## Who is eligible to participate in the Performance Assessment Scheme?

All ongoing staff (except Graduates), including those on probation and non-ongoing staff who have been employed continuously for 12 months or longer (excluding casuals), are required to participate in the ANAO PAS and must complete a Performance Agreement with their supervisor within two months of commencement in the ANAO.

Graduates start their participation following the completion of their 12 month training program.

Performance management arrangements for SES staff are set out in their contracts.

## Performance Assessment principles

The principles of the Performance Assessment Scheme are:-

- The provision of a framework that allows the alignment of individual, business and corporate expectations and goals;
- Consistency and equity in the allocation and approval of performance ratings taking into account the performance of the individual in the context of overall performance of the ANAO, relevant service group and immediate work area;
- Assessment arrangements based on individual performance;
- Objective and fair assessment against key responsibilities and/or performance standards, conduct and behaviours;
- Procedural fairness; and
- The provision of honest, timely and comprehensive feedback.

## Performance management components

Performance management is an annual process where:

The supervisor and staff member negotiate expectations for the coming year and record them in a Performance Agreement and a plan for the staff member's learning and development is recorded in an Individual Development Plan (IDP).

### **By end of October/November**

The supervisor and staff member review and discuss the staff member's performance against the agreed expectations and IDP halfway through the PAS cycle. Supervisor to discuss with Executive Director the preliminary review of the staff member's performance.

### **By end of April/May**

The Auditor-General to discuss and provide broad advice on performance of the agency and Service Groups with the Group Executive Directors.

### **By mid-September**

Nearing the end of the PAS cycle, Executive Directors undertake a final review of the staff member's performance, taking in to account feedback from immediate supervisors, and discuss indicative ratings with Group Executive Directors taking into account feedback from the Auditor-General on performance of the Service Group.

### **By end September**

The supervisor and staff member meet to discuss performance and deliverables against their Performance Agreement and the staff member is allocated an indicative performance rating.

### **By mid-October**

The indicative ratings are provided to Group Executive Directors for consultation with the Deputy Auditor-General and Auditor-General. Ratings for all ANAO staff are endorsed by the People and Remuneration Committee and approved by Deputy Auditor-General as chair of the People and Remuneration Committee.

### **By end October**

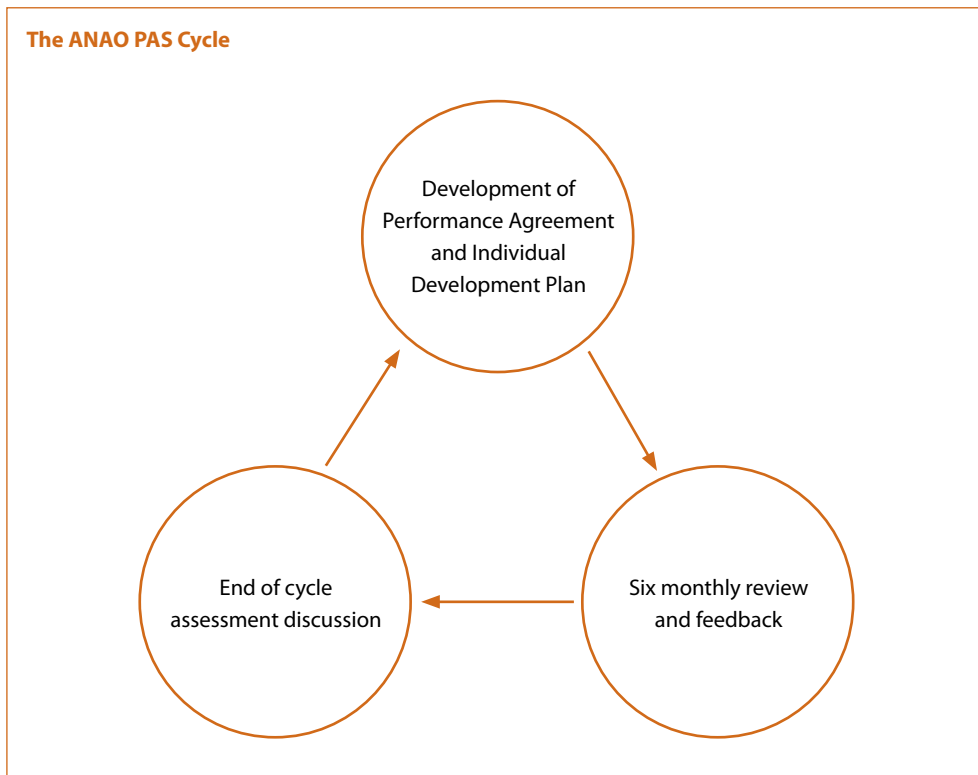
At the end of the PAS cycle, in the event the rating has been moderated, the supervisor and staff member meet to discuss the reasons for the moderated rating.

### **By end November**

Payment of bonus amounts.

### **By early December**

*In addition to the formal process, supervisors should be providing feedback to staff about performance and behaviour on a continuous basis.*



## The Performance Agreement

The Performance Agreement is an essential part of the performance management process. It establishes the basis for future performance, feedback and review.

A sound Agreement provides clarity about priorities, what is to be done and to what standard. It also provides a basis for ongoing review of progress against work plans and expectations, including behaviours. A poor quality Agreement can create confusion, wasted time and effort, and possibly generate conflicts with colleagues and the supervisor.

There are two steps to developing a Performance Agreement:

Staff member and supervisor meet to discuss their expectations around the tasks and responsibilities of the job, including expectations regarding behaviours.

Staff member documents the discussion into the Performance Agreement form. Performance Agreements should be reviewed by supervisors before finalisation. Both parties are required to agree to, and sign the Performance Agreement form. This Agreement should be in place by early November each year.

*It is not sufficient to simply roll over the Agreement from the previous year without appropriate consideration being given to the tasks to be completed during the next cycle.*

### Discuss expectations around the job

The supervisor and staff member should discuss expectations before documenting them in a Performance Agreement. A key to successful agreement-making is having an open and honest discussion about:

the staff member's projects and responsibilities for the next 12 months and the supervisor's priorities in both **what** work is done and **how** it is done;

expected standards of performance against the projects and responsibilities;

expected standards of behaviour in the workplace, including interactions with clients;

any additional responsibilities that are tied to responsibility allowance or a career development plan; and

learning and development (and other support) that is required by the staff member to be able to deliver on their tasks and responsibilities.

The tone of the Performance Agreement discussion is just as important as what is discussed. Both supervisor and staff member views should be listened to and incorporated into the Agreement. It helps to have some structure in the discussion, to ensure that both employee and supervisor have the opportunity to raise issues of interest. This requires some preparation by both parties.

### Document the agreement

The staff member writes up the discussion into the Performance Agreement form. The Performance Agreement form has three components:

- Job Expectations and Key Responsibilities;
- Performance Standards;
- Individual Development Plan.

### Job expectations

The job expectations section of the Performance Agreement identifies what is expected of the staff member and the standards of performance that apply. The job expectations (both the Key Responsibilities and the Performance Standards) relate to the staff member's substantive job, except where the staff member is acting at a higher level for a period of 6 or more months.

How staff do their jobs, including people skills and behaviours exhibited in the workplace, are a very important part of job expectations and needs to be reflected in the Performance Agreement with feedback provided. Staff are expected to uphold the APS Code of Conduct and APS values and include modeling the ANAO values and behaviours.

## Key responsibilities

Each of the staff member's key projects and responsibilities are expected to relate to one or more of the four ANAO Key Results Areas (KRAs). It is important that this includes reference to quality outcomes and effective contribution to project management. An Agreement should summarise a job in approximately 5 – 8 responsibilities across the four areas. Below are examples of what could be included in an Agreement for the KRAs.

Our four Key Result Areas – examples	
<p><b>Our products and services</b></p> <p>Deliver products that are of quality, timely and accurate</p> <p>Provide services that are of quality, timely and responsive</p>	<p><b>Our clients</b></p> <p><b>Managers</b></p> <p>Liaison and client relationship management</p> <p>Represent and promote the ANAO and individual audit products to client agencies and external bodies</p> <p>Manage productive internal and external professional networks</p> <p><b>Staff</b></p> <p>Establish professional relationships with a range of internal and external clients and stakeholders</p> <p>Collaborate with and make positive contributions to team, branch and service group</p> <p>Assist in the representation and promotion of the ANAO and individual audit products to client agencies and external bodies</p>
<p><b>Our business performance</b></p> <p>Pursue effective business processes</p> <p>Innovate and respond to change</p>	<p><b>Our people</b></p> <p><b>Managers</b></p> <p>Manage staff, review performance and provide performance assessment and feedback</p> <p>Create and manage an environment of collaboration and teamwork</p> <p>Acknowledge the achievements of staff</p> <p>Provide motivation, guidance and direction to staff</p> <p>Model and sustain APS Values and Code of Conduct and ANAO values and behaviours</p> <p><b>Staff</b></p> <p>Assist in encouraging and promoting effective teamwork</p> <p>Work collaboratively as a team member and provide effective support to other team members</p> <p>Acknowledge the achievements of other staff</p> <p>Support and respect individual and organizational differences and diversity</p> <p>Provide guidance and direction to more junior or inexperienced staff</p> <p>Model and demonstrate the APS Values and Code of Conduct and ANAO values and supporting behaviours</p>



### Standards of performance

For each of the staff member's Key Responsibilities, there should be a short description of the standard of performance that is expected. This indicator may be qualitative or quantitative. It could include elements such as:

- A description of the outcome of doing well
- A numerical result or statistic on how much is done or to the level of accuracy
- A plan or regulation that must be complied with
- A deadline that must be met
- An activity that is undertaken at particular intervals
- A qualitative description of what is to be produced/delivered
- A description of a behaviour that should be displayed

### Additional Responsibilities

In the additional responsibility section of the Performance Agreement the supervisor and staff member identify any extra responsibilities as a consequence of acting in another position, as part of a career plan or any other significant changes to responsibilities for an extended period. This section is completed where these changes occur after the initial Agreement is signed.

### Part 2 – Individual Development Plan

In the ANAO, personal development is a partnership between each staff member and their supervisor. The IDP is an agreement between the supervisor and staff member that records the learning and development activities to be undertaken during the PAS cycle to assist the staff member to meet their job expectations and to provide suitable longer-term career development. The IDP should identify on-the-job development as well as formal short courses and academic study.

*It is the responsibility of the supervisor and staff member to ensure that nominations for the identified courses are submitted and that the on-the-job learning activities are implemented.*

### How to identify learning and development needs

There are five steps involved in identifying a staff member's learning and development needs.

The supervisor and staff member should determine the learning activities required to assist the staff member meet their job expectations and to complete the tasks and responsibilities in their Performance Agreement.

The supervisor and staff member should assess the staff member's capabilities using the relevant ANAO Progression List found on Audit Central and also the ANAO capability framework. There is one for AASG, PASG and IT Audit. The Progression List identifies the capabilities staff need to demonstrate at each level in the Service Group. It also provides information about the appropriate courses that are available to address these capabilities if required. If the staff member is an EL1 or EL2, the results of the upward appraisal for the previous cycle may assist in this assessment process.

The supervisor and staff member should also consider the staff member's career goals. Depending on their goals, the supervisor and staff member may also consider the staff member's capabilities compared to the next level, to identify those capabilities the staff member needs to develop in order to enhance their progression prospects.

The supervisor and staff member then identify the most appropriate learning options to develop the identified skills and work towards career goals. In some cases it may be a course, either ANAO or external, while in other cases the best learning might come from being assigned to a particular part of the audit, or to shadow someone else for a few days while they are demonstrating the relevant skill. A list of different types of learning and development options is presented at Appendix 1. A list of appropriate development options according to the Progression List is updated each year and published on Audit Central.

The supervisor and the staff member then agree on how these learning and development activities will be achieved in the coming year. This might include discussing how to schedule them within the audit plan or other work responsibilities.

Once the IDP is agreed, it is the staff member's responsibility to nominate for the identified courses, and to participate in these courses. The supervisor's responsibility is to facilitate participation on agreed on-job learning activities, to make time available for staff to attend training identified in their IDP and to meet with the staff member prior to and after each course they attend to discuss how they will apply their learning on the job.

### The Mid Cycle Review discussion

The mid cycle review in April/May is an opportunity to review progress and update the Performance Agreement. The discussion should cover the following elements.

The Performance Agreement and whether it is still current, or needs amendment to reflect changes in priorities or responsibilities.

The staff member's achievements over the past six months against the items agreed in the Performance Agreement.

How the staff member has progressed with the implementation of their IDP.

Whether there are any aspects of performance and behaviour that could be improved and any additional support needed.

Whilst no rating is allocated at the midpoint review, supervisors should provide information about how a staff member could improve their performance, to aim for a particular rating at the end of the performance cycle. The supervisor needs to discuss this feedback with their Executive Director prior to the meeting with the staff member.

Where a staff member is not performing to the expected standard, the supervisor would be expected to give detailed feedback and together with the staff member identify the action needed to get performance back on track. It is important that a staff member be made aware at this mid-point review if their performance is below the expected standard and they are likely to be rated as either Requires Development or Unsatisfactory at the end of the performance cycle. Staff should be given sufficient time to improve their performance at any time in the performance cycle if either of these ratings is likely.

Key elements of the discussion are recorded in Part 3 of the Performance Agreement form. Supervisors should write up this section and include descriptive comments so that both parties can recollect the key points. Both parties sign off on the record of the feedback discussion.

### End of cycle PAS discussion

The purpose of the end of cycle PAS discussion in mid-October is to conduct a formal review of the staff member's performance over the entire PAS cycle period. The supervisor will have regard to the performance information provided by the Group Executive Director (or relevant SES) when providing feedback to the staff member. During the end of cycle discussion, the supervisor:

- Summarises the ongoing feedback that has been provided throughout the year;
- Considers and discusses with the staff member any factors which may have influenced the staff member's capacity to meet the Key Tasks and Responsibilities in the Performance Agreement;
- Explains and discusses the reasons for the indicative performance rating that has been assigned to the staff member;
- The staff member signs off the record of the feedback and the indicative rating and records any comments they wish to make.

The most important aspect of ensuring a successful performance review discussion is a "no surprises" process. The performance review discussion should be a summary of the ongoing feedback process provided throughout the year, and the expectation is that any significant performance issues will have been discussed previously.

*This discussion will work best if there has been continual feedback and support provided throughout the cycle.*

In the event the rating is moderated, the supervisor will meet with the staff member to provide the reasons for the moderated rating.

## Upward appraisal and assessment of people KRA

All EL2 staff and those EL1 staff with three or more people reporting to them are expected to participate in an upward appraisal process as part of the PAS. The purpose of the upward appraisal process is to gather information from the EL's staff regarding their performance against their people management responsibilities.

This feedback assists the supervisor to make a fair performance assessment and is an element in determining the indicative performance rating allocated by the supervisor. The upward appraisal information is collected by the EL's supervisor to assist in the end of cycle assessment and feedback discussion.

Staff acting at the EL1/EL2 level will only participate if the acting period exceeds six months. Staff giving feedback should have worked for the EL staff member for a minimum period of two months.

## Anonymity

To encourage subordinate staff to provide open and honest feedback, it is important to maintain anonymity of the information source. Feedback comments need to be collected in a way that comments cannot be sourced back to a particular individual. The supervisor will also need to exercise judgment in using the information in determining an indicative performance rating. This may involve, for example, seeking to collaborate specific information.

*Supervisors should not attribute any particular comment to a specific individual in passing on upward appraisal feedback.*

## What information to collect

Feedback should be collected against the ANAO capability framework appropriate to the EL level. It is not necessary for staff members to comment on all aspects of their supervisors' performance, rather they should offer feedback only in those areas where they feel able to comment.

## How to collect information

A minimum of three direct reports and a maximum of five are required to give feedback. If three direct reports are not available, the supervisor should consult the EL staff member to identify a broader reference group of staff inside or outside the immediate work area.

The checklist at Appendix 2 is given to the individuals who will be providing comments and their feedback against the criteria collected in a face-to-face discussion.

### Giving the upward appraisal feedback

The supervisor collecting the information should record the details in a summary form, and provide the EL with an oral summary of the combined feedback obtained, together with a written summary of (half to one page), which can be attached to the Performance Assessment Form. Supervisors should discuss how the upward appraisal results will contribute to the assessment and indicative rating of the EL's performance against the people KRA. This feedback should be discussed with the Executive Director prior to providing information to the staff member.

Any development actions flowing from the upward appraisal discussion should be recorded in the IDP.

### Deciding on a Performance Assessment rating

Indicative performance ratings have significant impact both on individual motivation and performance, and when finalised have a financial outcome for the staff member. The decision should be transparent and fair, based on objective assessment against the Performance Agreement and due consideration of parity with other staff at the same level in the same work group. The ratings and how they are applied are presented in the following table.

For staff rated as requiring development, the emphasis is on the manager and staff member to develop actions and activities as part of the performance agreement and the Individual Development Plan. The primary focus is on developing capability through on the job training, access to structured training and effective coaching. The staff member and manager should regularly communicate to ensure progress is being made against the planned actions and activities and this should be monitored by the Executive Director.

For staff rated as unsatisfactory, immediate remedial action is required. The Performance Improvement Plan process should commence immediately. Guidance on this process can be provided by the HR Team.

### Ratings and how they apply

Rating	Description of performance level
<b>Outstanding 5 rating</b>	Staff receiving this rating have significantly exceeded expectations at their classification and remuneration level and contributed well beyond the Key Responsibilities and/or Performance Standards set out in their Performance Agreement over the term of the performance cycle. This would include demonstrating outstanding quality and timeliness of their contribution. They would have identified and anticipated opportunities and initiated action, contributed to the improvement, understanding or interpretation of relevant technical standards, guidelines and procedures, initiated cross team or Group activities, managed and developed people/team skills and modelled APS and ANAO values and behaviours whilst actively promoting these values and behaviours to others.

<b>More than fully effective 4 rating</b>	<p>Staff receiving this rating have clearly achieved more than expected at their classification and remuneration level for the Key Responsibilities or Performance Standards as set out in their Performance Agreement, and having particular regard to quality and timeliness of their contribution. They would have identified and anticipated opportunities and initiated action to bring them to the attention of others, consistently applied relevant technical standards, guidelines and procedures, participated in cross team or Group activities, managed and developed people/team skills and set a good example of APS and ANAO values and behaviours.</p>
<b>Fully effective 3 rating</b>	<p>Staff receiving this rating will be considered to have met the Key Responsibilities and Performance standards at their classification or remuneration level as set out in their Performance Agreement. Staff being rated as fully effective will not have fallen significantly short of any of the key requirements of their position unless there are circumstances beyond the staff member's control. In this context, they would have managed the workload that is allocated to them, met timelines and applied relevant technical standards, guidelines and procedures, completed their own work and assisted others as required and set a good example of APS and ANAO values and behaviours.</p>
<b>Requires development 2 rating</b>	<p>In meeting the responsibilities and performance standards at their classification and remuneration level, staff receiving this rating will have fallen significantly short of one or more of the key requirements of their position. When assessing performance, managers will consider any matters beyond the control of the staff member. Staff may have often required assistance from their manager and/or peers to complete their work. Characteristics of work for this rating could include some or many of the following: lack of attention to detail; lack of clear expression or understanding of the assignments, concepts and standards; multiple revision of work; lack of timeliness; and the requirement for close management. Staff may not always set a good example of the APS and ANAO values and behaviours.</p>
<b>Unsatisfactory 1 rating</b>	<p>Staff receiving this rating will have often failed to achieve work at the standard expected and will not have met the Key Responsibilities or Performance Standards as set out in their Performance Agreement. They would have completed assigned tasks only with instruction or prolonged follow up, will be unaware or unfamiliar with relevant technical standards, guidelines and procedures, will not have contributed beyond their own role and will have struggled to complete their own work responsibilities and may not always observe the APS and ANAO values and behaviours.</p> <p>Staff receiving this rating, with the exception of staff on probation, will be placed on a Performance Improvement Plan (PIP). Staff on probation are not subject to the PIP process, but undertake an individual remedial process if their work is not satisfactory during the period of their probation. If at the end of the remedial probation period their work is still not satisfactory, a decision will be taken about termination of employment.</p>

Assessment against each of the ANAO Key KRAs and relevant performance standards will be undertaken when allocating an indicative rating. The overall performance assessment rating must be based on the staff member's performance against each of their Key Responsibilities in each of these areas. The assessment must also take into account behaviours exhibited during the cycle and whether those behaviours uphold the APS and ANAO values.

### Consistency and equity

Indicative assessment ratings are determined in a manner that reflects the performance of the staff member in the context of the overall performance of the ANAO, relevant Service Group and immediate work area. The People and Remuneration Committee will consider the indicative ratings put forward by supervisors and undertake a moderation process when finalising and endorsing the ratings.

### Access to review of decision

If a staff member does not agree with their performance rating, they should in the first instance discuss the matter with their supervisor. If they still remain dissatisfied with the outcome, then they may seek a review under the Internal Fair Treatment Procedures set in the ANAO Enterprise Agreement 2011-2014.

### Performance assessment and pay

The PAS is linked to remuneration. The financial benefits of each rating are presented in the table below.

Rating	Pay outcome
<b>Outstanding 5 rating</b>	Eligible for the Outstanding Performers Award Regime with a lump sum bonus payment up to 7% (amount is at the discretion of the People and Remuneration Committee), plus payment of the next salary increase available under the ANAO Enterprise Agreement 2011-2014 and salary advancement to the next pay point for the employee's classification.
<b>More than fully effective 4 rating</b>	Eligible for payment of the next salary increase available under the ANAO Enterprise Agreement 2011-2014 and salary advancement to the next pay point for the employee's classification.
<b>Fully effective 3 rating</b>	Eligible for payment of the next salary increase available under the ANAO Enterprise Agreement 2011-2014 and salary advancement to the next pay point for the employee's classification.
<b>Requires development 2 rating</b>	Eligible for pay increases under the ANAO Enterprise Agreement 2011-2014 but no salary advancement.
<b>Unsatisfactory 1 rating</b>	Not eligible for the ANAO Enterprise Agreement 2011-2014 salary increases nor salary advancement.

### Eligibility for financial benefits

To receive the relevant financial benefits the staff member must be employed by the ANAO at the end of the PAS cycle and have worked for the ANAO for a minimum period of six months during the PAS cycle. If the staff member has been employed for more than 6 months but less than 12 months, any bonus payments are calculated on a pro-rata basis for each completed month of employment. To be eligible for salary advancement, staff must have been at their current pay point for a period of at least 6 months. Any periods of absence (paid and unpaid) during the assessment cycle will be cumulative. Up to 15 weeks absence due to maternity is counted as being on duty.

Staff on fixed term secondments and exchanges approved by the ANAO, who retain their ANAO employment conditions, may be eligible to access the financial benefits above, subject to endorsement by their supervisor and approval by the Group Executive Director.

Staff who are promoted or advanced during an assessment cycle will be assessed on an overall basis, taking into account performance at the previous and current classification levels. Payment of any bonus will be at the higher classification.

The payment of any performance bonus does not count as salary for any purpose, including superannuation.

### Forms

A standard PAS form used to record all elements of the PAS (see Appendix 3).

This form has been designed to facilitate inclusion of the minimum contents expected to be included in the PAS. Additional components may be added if required by specific circumstances.

### Access to PAS records

Generally only the staff member and their supervisor have access to completed PAS records, unless there is a review. The original of the completed PAS records will be kept in a secure cabinet by the supervisor or another designated officer within the relevant work area. A copy should be retained by the individual, and the IDP should be sent to the Human Resources Team.

At the end of the annual PAS cycle an aggregated summary of all assessment ratings allocated will be published within the ANAO.



## Frequently asked questions

### Who is my supervisor?

Your Executive Director is responsible for ensuring that there are appropriate supervisory arrangements in place. The nature of your role may mean that you have a number of supervisors over the course of the year. In these situations, one person may be nominated as your supervisor, or alternatively, your supervisor may have responsibility for the role. The supervisor will consult the line supervisor prior to allocating an indicative performance assessment rating. The Executive Director may delegate the responsibility of developing and signing-off the Performance Agreement and the performance discussion to a lower level supervisor, however the assessment of performance and allocation of an indicative assessment rating will, following consultation, be completed by the Executive Director.

### What if my supervisor or I move jobs?

Where a staff member or supervisor moves jobs, the supervisor, in consultation with your Executive Director, must provide a performance assessment against the Performance Agreement and allocate an indicative rating, prior to the departure, providing there has been at least two months of performance. The outcome of that discussion, (i.e. the assessment of performance and feedback), will be passed on to the staff member and the new supervisor. This information will assist the staff member to know how they have performed against their Performance Agreement, and will give the new supervisor a formal basis on which to make a judgment when allocating an indicative assessment rating for the entire cycle. The staff member and new supervisor will develop a new Performance Agreement within one month of the commencement of the new working arrangements.

Where a supervisor leaves a work area within two months of the start of the assessment cycle, a new Performance Agreement must be established with the incoming supervisor.

### What if the supervisor and staff member can't agree on job expectations?

It is expected that a supervisor and staff member will attempt to reach agreement regarding the content of a Performance Agreement. If a supervisor and staff member cannot reach agreement within a reasonable period, the next level supervisor will undertake a review of the process. If the review determines the process was satisfactory then the supervisor may deem that an Agreement is in place and advise the staff member in writing.

### How does the PAS apply if I receive a Responsibility Allowance?

A staff member who is in receipt of a responsibility allowance for six months or less will have their performance assessed at their substantive level. Where a staff member has received a responsibility allowance for more than six months in a single assessment cycle, the development of the Performance Agreement and the allocation of an assessment rating should reflect the higher classification level and additional responsibilities. However the payment of the responsibility allowance should not act as a disincentive to the allocation of a performance assessment rating which attracts a lump sum payment above the minimum level of payment.

## Appendix 1 – Learning and Development Options

The following list is indicative only of the most commonly available opportunities for development support and individual career options for staff in the ANAO. The list is intended to assist the supervisor to align the needs of individual staff members with the available support mechanisms.

<b>Training</b>	Technical, ANAO learning calendar core and non-core courses, technical updates, external programs
<b>Professional development</b>	<p>ANAO specific programs that support the principles of the ANAO capabilities, identified staff needs or special needs groups;</p> <p>Study programs such as Undergraduate and Graduate programs, CPA, CA</p> <p>ANAO specific seminars, professional and technical updates</p> <p>Professional networking, conferences, study tours</p> <p>ANAO mentor program</p> <p>APS and industry specific external development programs</p>
<b>Personal development</b>	<p>Executive/individual coaching</p> <p>Career counselling eg ANAO employee assistance program</p>
<b>Work assignments</b>	<p>Opportunity to work with a variety of Supervisors/variety of audit tasks, eg across work groups or within the group</p> <p>Special corporate projects, eg interview panels, careers fairs, innovations group, social club, OH&amp; Committee, diversity contact officer</p> <p>Rearrangement of duties to meet flexible work arrangements</p>
<b>Work rotations</b>	To another part of the ANAO (subject to operational requirements)
<b>Secondments</b>	To other APS agencies, private sector, interstate or overseas

More details about the most suitable type of learning opportunity are published each year along with the ANAO Learning Calendar on Audit Central.

## Appendix 2 – Upward appraisal checklist

### Ability to think strategically

Does she/he:

- Objectively think through problems from various angles, assess risk and identify solutions;
- Demonstrate originality of thought and the capacity to develop innovative solutions;
- Critically evaluate information and demonstrate sound judgment in decision-making;
- Contribute actively to strategic planning processes and actively promote a shared understanding of strategic direction and corporate priorities.

### Ability to achieve results

Does she/he:

- Define, plan and schedule work for the area and respond flexibly to changing requirements;
- Demonstrate organisational and management skills of a high order including, if appropriate, the ability to effectively manage the performance of others in the delivery of work;
- Manage and monitor project budgets and timelines;
- Set high standards and encourage others to do the same;
- Contribute his/her technical knowledge to solve problems.

### Ability to communicate effectively

Does she/he:

- Demonstrate highly effective oral and written communication skills;
- Listen actively to others and respond appropriately ;
- Present technical issues in a way that is easily understood by others;
- Negotiate complex matters persuasively.

### Ability to develop productive working relationships

Does she/he:

- Develop and maintain effective working relationships with clients and foster a client focused culture;
- Inspire and motivate the team to follow their direction;
- Treat others with respect and courtesy and value diversity in people, ideas and approaches;
- Model and promote team behaviour and foster a harmonious and collaborative work environment;
- Coach and mentor others, provide supportive, reliable and constructive feedback;
- Share ideas, experiences, and helpful hints, make it easy to approach them for discussions;
- Complete and discuss your: performance agreement, upwards/downwards; appraisal, development plans and general performance issues
- Show consideration to your work and home circumstances.

### Demonstrated personal drive and integrity

Does she/he:

- Apply and promote the APS Values and Code of Conduct and the ANAO's values and supporting behaviours;
- Demonstrate high levels of initiative and remain positive and focused on objectives, even in difficult circumstances;
- Show strong commitment to continued learning and take responsibility for own development;
- Display integrity, honesty and a consistent approach to work issues.

## Performance Assessment Scheme

### Part 1: Performance Agreement

Name: \_\_\_\_\_ Classification: \_\_\_\_\_ Period: \_\_\_\_\_ Supervisor: \_\_\_\_\_

<b>JOB EXPECTATIONS (completed in November)</b>	
<b>Key Responsibilities (What do you need to do over the next 12 months?)</b>	<b>Expected Performance Standards and behaviours (What does good performance look like?). Key tasks and responsibilities.</b>
High quality products and services	
Business management	
Meeting client needs	
People management or Team Participation	
<b>ADDITIONAL RESPONSIBILITIES (Added during cycle - if applicable)</b>	
<b>SIGN OFF (Completed in November)</b>	
TO BE SIGNED BY STAFF MEMBER: I agree to this Performance Agreement	Signature: _____ Date: _____
TO BE SIGNED BY SUPERVISOR: I agree to this Performance Agreement	Signature: _____ Date: _____

## Part 2: Individual Development Plan

Name: \_\_\_\_\_ Classification: \_\_\_\_\_ Period: \_\_\_\_\_ Supervisor: \_\_\_\_\_

<b>INDIVIDUAL DEVELOPMENT PLAN (to be completed in November)</b>			
<b>Agreed Development Need</b> Comments:	<b>How it will be addressed (Including Course Title or on job training needed)</b> Comments:	<b>Target completion date</b> Comments:	
<b>Career Goals</b> Comments:	<b>Action to achieve the goal</b> Comments:	<b>Target completion date</b> Comments:	
<p>TO BE SIGNED BY STAFF MEMBER: I agree with this record of the Individual Development Plan subject to any comments below.</p> <p style="text-align: center;">TO BE SIGNED BY SUPERVISOR</p>			
Signature: _____ Date: _____		Signature: _____ Date: _____	

### Part 3: 6 monthly Review Discussion

#### **PART 2: SUMMARY OF 6 MONTHLY PERFORMANCE REVIEW (For November – April: Completed in April)**

(No assessment rating is required, only a summary of overall performance needs to be given to the staff member)

#### **Key Tasks and/or Responsibilities**

Comments:

#### **Summary of Overall Performance**

Comments:

#### **Staff member Comments:**

TO BE SIGNED BY STAFF MEMBER: I agree with this record of the performance review discussion subject to any comments above. TO BE SIGNED BY SUPERVISOR

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Part 4: Performance Assessment Discussion

<p><b>SUMMARY OF END OF CYCLE PERFORMANCE REVIEW AND ALLOCATION OF ASSESSMENT RATING</b>                  (Completed in late October following finalisation and approval of performance ratings by the People and Remuneration Committee and Auditor-General)</p>		
<p><b>Key Tasks and/or Responsibilities</b>                  Comments:</p>		
<p><b>Summary of Overall Performance</b>                  Comments:</p>		
<p><b>Staff member Comments:</b></p>		
<p>TO BE SIGNED BY STAFF MEMBER: I agree with this record of the performance review discussion subject to any comments above.</p> <p>Signature: _____ Date: _____</p>	<p>Assessment Rating Allocated                  (by ED)</p>	<p>TO BE SIGNED BY SUPERVISOR</p> <p>Signature: _____ Date: _____</p>
<p><b>EXECUTIVE DIRECTOR SIGN OFF (Completed in November)</b></p>		
<p>I am satisfied that this Performance Agreement and Assessment has been completed in accordance with ANAO policy and guidelines.</p> <p><input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>Any comments</p> <p>Signed: _____ Date: _____</p>		



## Annex 7a: Implementing Training, Learning and Development (NAO)

In developing a comprehensive training and development plan the SAI should ensure it is based on individual, team and organisational need, and on the following key components:

- A high level strategy document of organisational training needs;
- A training needs questionnaire to managers;
- A training needs questionnaire to staff;
- Skills needs from job descriptions;
- The needs of individuals from performance reviews;
- Training needs from the evaluation of training;
- Skills needs to ensure the right staff are in the right place at the right time.

The SAI should put in place procedures to measure the use of the training after the trainee returns to the work place. The SAI should also require staff on return from training to share the knowledge learnt with colleagues. The transfer of knowledge after training should be an objective for all staff and by linking training to performance appraisal the effectiveness of staff in this area can be assessed.

By preparing a well-constructed training and development plan the SAI will ensure that:

- Its limited resources are used effectively and prioritised, with training focused on developing knowledge and skills in areas of organisational greatest need and potential impact; and
- The amount of training does not overstretch the SAI in terms of its ability to deliver its core audit and other responsibilities.

### Categories of training

Training and development in the SAI could include:

- Induction: a dedicated induction programme for staff joining the SAI to be arranged by Human Resources and designed to give a general, but comprehensive, introduction to the operations of the Office, including the facilities and support available to staff;
- In service continuous training opportunities including: coaching; mentoring; job rotation and secondments.
- Professional accountancy training: The aim of introducing professional qualifications within an SAI is to maintain and enhance the professional standing of the SAI into the future;

- Performance improvement: Every member of staff should participate in regular performance improvement training. Training should be of short duration with the aim of improving general or specific aspects of a given job;
- Professional development: SAI staff should be encouraged to undertake professional development training to ensure their skills are kept up-to-date in line with the development of standards at different levels of their career;
- Training leading to professional qualifications, certificates and diplomas: Support may be made available to staff wishing to undertake specialist qualifications relevant to their job. The SAI and the individual should agree that further education is the most appropriate way for the individual and the Office to acquire the skills in question, and be able to demonstrate that:
  - The specific business benefits of the qualification fits in with overall staff development and succession planning of the SAI;
  - The qualification supports the applicant's career development aspirations;
  - It is in line with the performance and potential of the applicant to progress within the Office;
  - The attendance record of the applicant supports the investment;
  - It is affordable. What is the cost of the proposed training and the extent to which the method of study provides value for money?

Whatever the route taken by the SAI or the individual, training and development should be a continuous process, and should be carried out in accordance with the approved and annual training plan/programme and budget.

## Training areas

An SAI should ensure that a range of internally-run training and development events are available to staff subject to approval from their line manager. Staff may also attend training and development events provided by external suppliers subject to the appropriate approval and the availability of funds.

The SAI should design training programmes to cater for all staff. The specialised areas of training could include:

Senior Staff Management Course	Value for Money/Performance Auditing
IT Skills	Revenue Auditing
Management Development Programmes	IT Auditing
Public Administration and Management	Professional Courses
Human Resource management	Forensic/Fraud/Investigations Auditing
Report Writing	Security Training
Effective Secretarial Management	Database Management
Financial Auditing	Environmental Auditing

## Various learning activities

The activities in the SAI may encompass the following:

- In-house training courses based on individual needs as well as SAI's core curriculum, including financial and performance audit methodologies;
- In-house seminars and workshops covering a wide variety of topics focusing on developing a well-rounded workforce;
- On-the-job training by attaching new entrants to work under the guidance of experienced staff;
- Improving and standardizing course materials to maintain training quality; if necessary, outsourcing development of course materials;
- Encouraging (and, in the long-term, make compulsory) audit personnel to become members of various professional bodies relevant to their work for continuing professional education and to participate in the activities of professional bodies through suitable incentives given by the SAI;
- Encouraging audit employees to enrol in academic institutions to pursue various disciplines, such as computer science, law, management, research methodology etc;
- Providing opportunity to have work experience in other public or private agencies, or audit offices overseas – in particular, establishing exchange placements for SAI officials within ASOSAI countries as part of reciprocal arrangements - to acquire and exchange knowledge and experience and to gain insights into the operations of other peers;
- Accepting staff from other agencies and legislative secretariat for temporary assignment to the SAI to enhance awareness and understanding of the SAI's role and responsibilities;
- Providing opportunity to participate in training course, seminars and workshops held by international or regional institutions, universities and other SAIs, e.g. training courses provided by INTOSAI development Initiative;
- Creating a network with outside agencies – domestic and international, and select issues for cooperation;
- Equipping personnel to audit effectively in new areas such as privatization, revenue audit, sustainable development, environment auditing, forensic auditing, IT auditing, etc;
- Assisting newly employed staff to assimilate into the new work environment, An SAI should develop and implement an induction programme or orientation programme, giving an overview of SAI's vision, mission, core values, audit methodologies and techniques, policies, procedures and practices and general information relating to SAI's operating environment;

- Audit of financial statements requires training in accounting, knowledge of legislation and executive orders affecting the accountability of audited entity. Performance audit requires training in public administration, management, economics and social sciences;
- As a part of knowledge dissemination, reviewing and discussing audit reports from different SAIs in presentation sessions participated by officers at all levels;
- Encouraging staff to prepare a personal development plan, in consultation with the line manager. The approved plan should be an action-oriented plan that should focus on a few specific competencies to address individual staff needs;
- The SAI could also recognise other types of training methods which may include: correspondence courses, part-time courses, evening courses, overseas training, long distance learning.

## Training evaluation

Evaluation should be a continuous process which should be done in three stages: the pre-stage; the course and the post stage.

The evaluation should be carried out using of a standard questionnaire completed at the end of each stage and using the following indicators: cost; time; quantity and quality.

## Responsibilities

Staff and functions at all levels have a responsibility in the area of training and development. These are set out as part of the framework of human resources responsibilities. In addition the SAI may want to set up a training committee comprising interested senior members of staff with Human Resources providing secretarial support.

The training committee should be responsible for:

- Approving all training proposals;
- Overseeing the implementation of the training strategy and the respective training plans/programmes;
- Approving the selection criteria of officers to undergo training;
- Receiving and consider applications for training;
- Identifying and approving training providers to conduct training.

## Selection of training providers

The SAI should make use of internal training providers to ensure that staff are adequately trained using the most cost-effective methods; but external trainers in specific technical areas may be used to run workshops, seminars and refresher courses.

## Bonding of an Officer

For many SAIs the investment in training is a significant part of their total budget, in terms of both finance and time, and they expect to benefit from a reasonable return on their investment. In order to secure a reasonable return the SAI may wish to consider adopting a bonding scheme so that staff are committed to spending a specific amount of time with the SAI on completion of extensive training or, if they leave the SAI before completing the bonding period, must refund all or part of the cost of the training: The following criteria could apply:

- Bonding should apply to training exceeding nine months;
- A member of staff who has been sponsored for long term training should be bonded in accordance with established rules and regulations;
- Officers who sponsor themselves and are granted study leave should be bonded for a period not exceeding the length of the training following completion of the course;
- Staff should sign a bonding agreement before leaving for such training
- The office should recover from the officer costs of training in case of a breach of the bonding agreement.

## Training report and knowledge sharing

Staff who have undertaken long term training should write a report which they should submit to Human Resources and the Head of Department. In order to maximise the benefits of the training throughout the SAI, staff could also give a presentation to their colleagues on the training received.

## Annex 7b: Continuing Professional Development (NAO)

Continuing Professional Development (CPD) may be defined as: *“A systematic and planned approach to the maintenance, enhancement and development of knowledge, skills and expertise that continues throughout a professional's career, and is to the mutual benefit of the individual, the employer, the professional body and society as a whole”*. CPD should be established at each level of an SAI, which should be monitored with appropriate documentation maintained. Professional development programmes should be reviewed periodically.

CPD is necessary to ensure that staff are committed constantly to update their knowledge and skills to maintain their professional competence. A planned approach to undertake and record CPD enables the SAI to demonstrate its commitment to high standards of professional, technical and management competence.

The following guidelines apply to CPD:

- The SAI should set down a minimum number of hours (say 40) of CPD that staff must achieve each year. Of the minimum requirement, at least half should be spent on formal activities;
- All staff should maintain a portfolio of their CPD, comprising a summary learning and development record and relevant supporting evidence. Brief summaries of the benefits of the learning activity should be recorded. These are likely to refer to greater understanding of the work area, improved skill level, and enhanced performance;
- Supporting evidence should confirm that the development activities have been undertaken. Examples of evidence might be: certificates of attendance at courses, executive summaries of reports written, or terms of reference for projects;
- All staff should undertake some technical CPD, but attention should also be given to management and personal development needs. Staff should decide on the appropriate balance, bearing in mind their particular circumstances;
- Specific activities selected should show an appropriate balance of formal and informal learning:
  - Formal learning includes any activity for which there is a pre-defined objective or outcome. Examples are: courses, workshops, conferences, projects, working groups, research and open learning programmes;
  - Informal learning includes activities which result in learning, but which involve a less structured approach. Examples include: “professional” voluntary work, committee work, secondments, visits and work shadowing.

# Annex 7c: Training policy and audit functions matrix Memorandum (NCA)

## Purpose of this memorandum

The purpose of this memorandum is to provide information on the Court of Audit's training policy. It outlines and explains the main points and underlying aims of the training policy, the principles and the training matrix.

## Objectives of the training policy

The main objectives are:

- The training policy and programme (which are prepared each year and published on the intranet) are tailored to the competencies required for the various functions at the Court of Audit and developments therein;
- The Court of Audit is an attractive employer to work for on account of the opportunities it offers to develop professional skills, gain knowledge and enjoy personal growth;
- The Court of Audit's selection and training resources are optimised to attract and retain the right expertise in the right measure;
- The process of performance interviews, feedback and career planning (in due course, personnel review) is effectively supported so that the staff are satisfied with their work, can grow in it and remain broadly deployable.

## Principles of the training policy

The main principles at present are:

- The Court of Audit's mission and strategy and developments in the field are closely monitored. The training programme is continuously refined in response to developments. Examples include the strategy launched last September of integrating the exercise of influence better into our audit processes, effective report writing, the visualisation of information and basic principles of good governance (the General Administrative Law Act);
- Every new member of staff joins the Court of Audit's learning circle. To this end there is a standard package of internal courses for the various function families (see details in the training matrix for audit positions);
- With a view to the specific nature of the training courses, we rely heavily on internal coaches/teachers. A second advantage of this approach is that it adds to the know-how on training. Knowledge is shared internally, activated and didactic skills are built up. When external coaches/teachers are used for substantive or practical reasons, we prefer to develop and teach the courses in partnership: external/internal;

- A coordinator is appointed for every internal course. In general, this is someone from the audit function, not a trainer or other member of the central staff. This promotes ownership of the internal courses within the organisation and makes optimal use of the available expertise;
- Internal training courses are designed for use in practice. A key principle is that internal courses must achieve results 'on the job';
- Every member of staff is personally responsible for his or her own development. The Court of Audit's training programme includes a standard package of internal courses and provides opportunities for personal preferences. These decisions are taken in consultation with the superior, usually during performance interviews, in order to strike a good balance between personal development and the general interests of the Court of Audit;
- The training policy is part of a learning process. The training activities are only a part of the many possible activities that promote learning. Other activities include: assistance in evaluations and self-assessments, time-outs, team/office meetings, targeted coaching, career advice, peer review and participating in activities within the Court of Audit that involve learning.

## Training policy and programme

The Court of Audit's training programme encourages the staff to continuously improve their expertise (knowledge, skills and competencies) and to apply it in their work in order to contribute to the Court of Audit's effectiveness. This is achieved through two channels:

- 1 The Court of Audit's training programme** (as summarised in the training matrix for audit functions) is drawn up for groups of the Court's staff. The programme is agreed each year by the MT and published on the intranet along with descriptions of the courses that are necessary and/or interesting for the various groups of the Court's staff. In broad lines, the training programme is concerned with the development and use of professional expertise and know-how (first block in the matrix) and the development and use of communication and social skills that improve the Court of Audit's effectiveness and match the competencies required by the Court (second block in the matrix). The postdoctoral programmes of relevance to the Court are listed in the third block.
- 2 Steering the development of personal expertise.** Training decisions for each member of staff are taken in consultation with the superior, usually during performance interviews, in order to strike a good balance between personal development and the general interests of the Court of Audit. The training matrix is an aid to decision-making for the benefit of both the staff and the Court. Training decisions can cover more than just the internal courses. There is ample opportunity and a budget for individuals or groups to take external courses that are related to the functions and developments in the field.



## Structure of the training matrix for audit functions

The principles we used to create the training matrix are:

- There are five personal study programmes within the audit function. This is based on the assumption of a policy-rich staff establishment at the Court of Audit.
  - 1 Audit generalist (see matrix)
  - 2 Senior audit generalist (see matrix)
  - 3 Project leader (see matrix)
  - 4 Staff with specialised knowledge (matrix to be developed)
  - 5 Specialists (according to the number and complexity)

The training matrix is at present concerned principally with the generalist audit function. In due course it will be enlarged to include staff with specialised knowledge and specific matrices will be developed for central staff functions and possibly for other larger function families.

- The training matrix is a dynamic instrument that is discussed each year with the heads of the bureaux and departments and adopted by the MT before the training programme and training budget are released;
- The matrix must serve as a reliable compass and be used prudently by the managers and staff. The matrix is a tool to arrive at the right training decisions;
- The training matrix is not intended to be a selection tool. If an auditor has not yet taken all the internal courses in his or her standard training package, that is no reason for him or her not to be promoted to a senior position. However, the staff are expected to master the appropriate knowledge and skills; they cannot pick and choose. On the other hand, in consultation with a superior, an auditor might also take a course that is part of the senior auditor's package; again, such decisions should be taken prudently;
- The matrix is not exhaustive, especially not with regard to external courses;
- The average life of an internal training course is five years. It is then decided whether the content should be refreshed or not;
- The choices in the matrix match the competencies selected by the Court of Audit for the various audit functions;
- As well as the study programmes, there are targeted learning activities for specific groups, such as the auditors of the central government annual financial report (MAD Audit Manual, Sampling and the Central Government Annual Financial Report) and exercising influence for project teams;
- In addition, a day is organised each year to discuss developments in regularity auditing, regulations and policy. This day also considers developments in performance auditing and at legal persons with statutory tasks. Once a year, therefore, all **professional developments of relevance to the Court of Audit** are presented to the audit staff.

The learning opportunities offered for the audit functions are:

**1 All new members of staff (scale 9 and higher) join the learning circle programme, consisting of four main blocks:**

- **Introduction to the Court of Audit**, including the strategy and the Government Accounts Act (three consecutive days)
- **Substantive block on the Court's core activities**: Audit, regularity auditing, performance auditing, Article 91/96 (public/private), ICT, Integrity, Basic Knowledge of Public Finances, or Financial Function of Central Government (spread over two consecutive blocks of three days)
- **Court of Audit skills**, consisting of: HRM within the Court (competence management, personnel review, performance interviews, giving and receiving feedback (at least 0.5 day) Interview practical (1.5 days), Effective report writing combined with the visualisation of information (2 days), Influence skills for the Court of Audit (new, to be developed in 2008 along the lines of the current course on effective influence, with special attention to the core competencies and collaboration).
- **European Union** (1 day theory and 2 days visiting European institutions).

**2 Follow-up audit study programme (generalist)**

Following the learning circle programme, auditors will take a series of internal courses to develop their generalist skills. These will build on the courses in the first programme (an auditor does not need to take a basic course on accounting systems or auditing and a jurist does not need a basic course on the General Administrative Law Act). In consultation with the superior, exemptions are therefore possible.

The following **professional** courses are provided:

- Public Finances (or Financial Management)
- Basic Accounting Systems
- Basic Auditing
- Basic ICT in Auditing
- Basic Audit Methods and Techniques (under revision)
- Accrual Accounting (for non-financials)
- Principles of Good Governance (General Administrative Law Act)
- Statistics

### Skills

- Effective report writing
- Exercising influence (for project teams)
- Visualisation of information (at least two persons per bureau)
- Visio (tailor made)
- Language training (for foreign projects)
- Word, excel, PowerPoint and Outlook

### 3 Follow-up Senior Auditor study programme (generalist)

Senior auditors first complete the standard auditor package and then take the following courses:

#### Skills

- Creative and strategic thinking (New, under development)
- Advanced interview skills
- Insight into influence
- Presentation skills

### 4 Follow-up Project Leader study programme

After the senior auditor package, project leaders take the following courses:

#### Skills

- Coaching skills, with particular attention to motivation and encouraging cooperation (PLs in training). New, under development
- Holding feedback talks
- Negotiation skills
- Project management (PLs in training)
- Stress management

**5 Follow-up study programme for staff with specialised knowledge** (Matrix still to be developed).

Specifically for people who work on the central government annual financial report, the following three internal courses are available:

- a) Developments in regularity auditing, regulations and policy (to be enlarged with developments in performance auditing and at legal persons with statutory tasks, one day per annum **Professional developments of relevance to the Court of Audit**)
- b) MAD Audit Manual/Review/Risk Analysis
- c) Sampling in regularity audits

We also follow Nivra's Permanent Education policy with regard to the professional development of auditors (worked out in the Court of Audit's PE policy).

**4 Follow-up study programme for specialists** (prepared individually)

### Stance on training and learning

Given our stance on training and learning, we are constantly looking for new approaches that better integrate learning and match it more closely to the work. The work itself provides good opportunities to learn. In particular, learning from colleagues, from each other, encourages the use of new approaches and insights. We are looking for such a link for the courses that integrate the exercise of influence into our audit processes. External advisors and staff from the Court of Audit will hold a series of workshops to help a number of audit teams optimise the 'influence route' for their specific audit fields. The intention is to have the workshops match the wishes, needs and thus the practice of the audit teams as closely as possible. A great deal of attention will be paid to learning from each other, from each other's approaches, insights and dilemmas.

## Annex 7d: Education matrix (NCA)

<b>Internal courses for audit functions</b>			
<b>V = Main courses (dispensation after careful consideration with the manager)</b> <b>(V) = Specific courses</b>	<b>Project manager</b>	<b>Senior auditor</b>	<b>Auditor</b>
● Trainee course for new employees (17 days)			V
● <b>Knowledge</b>			V
Professional training Public Finance			V
Basics on accountancy control			V
Basics administrative organisation			V
Basics on ICT-auditing			V
Basics on methods and techniques of auditing			V
Cost -benefit system (for non financials			V
Principles of good governance			V
European Union			V
Manual on accounting, review and risk analysis			(V)
Statistics			V
Sampling Regularity audits			(V)
● <b>Skills</b>			V
Influence and external communication skills (for project teams)			V
Effective report writing			(V)
Info Graphics			(V)
Online searching for information			(V)
Language course			(V)
Word, excel, powerpoint and outlook			V
Strategic and creative intelligence		V	
Interviewing for seniors		V	
Influence skills for seniors		V	
Presentation skills		V	
Coaching skills	V		
Negotiating skills	V		
Project management skills	V		
Stress management	V		
Feedback skills for project managers	V		
● <b>Post-academic programs</b>			
Accountancy			
ICT – Auditing			
Operational auditing			
Management development programs			

**Explanation**

Endurability internal courses after five years.

V = is presumed to be known by the higher levels.

# Annex 8a: Diversity and Inclusion Bingo (NCA)

## **Diversity and Inclusiveness BINGO!**

### **Instructions**

- 1 Individually, read your bingo card and note mentally which ones you can answer;
- 2 Be prepared to sign your name and share your background data with others;
- 3 Each person may sign only one square on your card;
- 4 Go and find someone who knows the answer for one of the questions and ask him/her to sign your card;
- 5 Call out BINGO! When you have signatures across a complete line (vertically, horizontally or diagonally)

Is a single parent	Knows what a rainbow and an upside down pink triangle mean	Serves as a leader in same type of activity outside the SAI	Works flexible hours	Is crazy about football	Meet someone whose partner has a different religious affiliation
Speaks more than two languages	Has been with the SAI more than 20 years	Has taken less than two weeks leave in 2002	Is primary carer for an elderly parent or disabled person	Knows when Ramadan occurs	Meet someone who has a child that is a "Boy or Girl Scout"
Has recovered from a disability	Knows his/her Myers Biggs type and can tell you	Has never been married	Has four or more names (include nick names)	Prefers voice mail to e-mail	Meet someone whose partner is from another culture
Has dual citizenship	Has met Abraham and is willing to say when	Knows how to sew	Knows the ingredients for spotted dick	Plays a musical instrument proficiently	Meet someone whose mother was the main bread winner
Has never lived outside of his/her country	Knows how to do sign language	Has lived in India or the Middle East	Used his/her personal computer in University	Is a grandparent	Meet someone who went to school in another country
Meet someone who knows the significance of Stonewall	Meet someone whose parents were born in another country	Meet someone who knows a person of different sexual orientation	Meet someone whose siblings were born in another country	Meet someone who knows the significance of June 19th	Meet someone who celebrates Diwali





Further copies of this guide are available on the  
INTOSAI Capacity Building Committee website:  
<http://cbc.courdescomptes.ma/>

