INTOSAI Standards are issued by the International Organisation of Supreme Audit Institutions, INTOSAI, as part of the INTOSAI Framework of Professional Pronouncements. For more information visit www.issai.org
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1) The ability of a Supreme Audit Institution (SAI) to fulfil its mandate and conduct high-quality, effective audits depends to a large extent on the quality, integrity and competence of its staff. The competency requirements of auditors, and how they are recruited, developed, maintained and assessed, are of fundamental importance to a SAI.

2) Auditing standards give structure to the execution of a SAI’s mandate and work, but these can only be implemented by staff with the appropriate competencies. Standards on auditor competence at organisational level, emphasise that the employment of competent auditors is an integral part of a SAI’s identity, professionalism, credibility and relevance.

3) The leadership of a SAI has the overall responsibility to implement the requirements of this standard and to ensure that auditors are competent and able to execute the SAI’s mandate. As such, considerations regarding auditor competence should appropriately be reflected in the SAI’s strategies, policies and procedures.

4) ISSAI 150 – Auditor Competence is intended to be used in conjunction with other ISSAIs and with due consideration of SAI’s mandates, enabling legislation, structure, size, legislation dealing with human resource practices and other considerations. The standard also allows for appropriate flexibility in the application of the organisational requirements contained in the document, to cater for specific considerations that are unique to the relevant SAI.
5) Auditing standards alone, however, cannot enable a SAI to deliver on its mandate. The SAI needs to ensure the existence of all the elements of professionalism, such as:

a) An appropriate working environment;

b) Auditing standards and guidelines to give effect to the SAI’s mandate;

c) Competent people to execute the mandate in line with the auditing standards and guidelines; and

d) A holistic performance measurement process to ensure that the above is in place and functioning appropriately and effectively.

In addition, appropriate organisational capability and strategic focus, as outlined in the INTOSAI Principles within the IFPP, are essential enabling factors in the context of this pronouncement.
6) The purpose of ISSAI 150 is to set out the organisational requirements that a SAI shall follow in determining auditor competencies, as well as the recruitment, development, maintenance and assessment thereof.

7) ISSAI 150 addresses the SAI’s role and responsibilities on a general level and is applicable to all types of auditing (financial, performance, and compliance) and jurisdictional activities.

8) The IFPP includes many pronouncements, which refer to the concept of auditor competence. ISSAI 150 brings together all such references at the level of the organisational requirements in the IFPP.
9) In the introductory comments to ISSAI 100 – *Fundamental Principles of Public-Sector Auditing* – standards and guidelines are described as essential for the credibility, quality and professionalism of public-sector auditing.

10) ISSAI 100 – *Fundamental Principles of Public-Sector Auditing* - provides that each SAI should establish and maintain procedures for competency management on an organisational level that will provide it with reasonable assurance that the SAI’s auditors have the competencies required to fulfil their function. The competency management at an organizational level generally involve:

a) Determining relevant competencies;

b) Providing enabling human resource practices;

c) Providing pathways for professional development; and

d) Assessing and monitoring competencies.

11) This standard defines the organizational requirements of the ISSAIs based on this principle in ISSAI 100. A SAI must comply with all organizational requirements of this standard in order to be able to assert that it has conducted audits in accordance with the ISSAIs. The authority of the ISSAIs is further defined in ISSAI 100.
DEFINITIONS

12) **Competence** is the knowledge, skills and personal attributes critical to successful job performance, where:
   
a) Knowledge is the theoretical or practical understanding of a topic;

b) Skills are the abilities to accomplish specific tasks; developed through learning or experience; and

c) Personal attributes are the mind-set; qualities; characteristics and traits of a person.

13) **A competency framework** is a conceptual model that details and defines the competencies expected of an individual auditor, group or team for a specific task and for a specific position within an organisation. Competency frameworks need to be largely stable and timeless at a broad level. At a more granular level, they need to be dynamic, reflecting the expectations of an ever-changing world. They seek to define the elements needed to drive success and high performance, and will change depending on the circumstances.

14) **A pathway for professional development** is a formalised, structured development programme chosen by a SAI and aimed at developing and maintaining competent, professional auditors in the SAI.
ORGANISATIONAL REQUIREMENTS UNDERPINNING A SAI’S RESPONSIBILITIES TOWARDS AUDITOR COMPETENCE

DETERMINING RELEVANT COMPETENCIES

Organisational requirement 1

15) A SAI shall determine and document relevant competencies required for all auditors to fulfil the SAI mandate.

Application material

16) A SAI may have a strategy for how it operationalise its auditing mandate. An important part of the strategy is to ensure that the SAI has adequate human resources and competent auditors.

17) In determining the relevance of the competencies required for its auditors, a SAI may consider the appropriateness of these competencies to support fulfilling its legislated mandate and address the unique challenges of the environment in which the audit takes place, both in a current and future context.

18) To ensure the quality and relevance of the end-result, the SAI may consider designing the process to determine competencies in ways that are appropriately transparent and inclusive.

19) To give effect to this requirement, a SAI may document the competencies required of its auditors in a competency framework, at the level of full and complete ability to function in the positions in which they have been appointed. Good practice in this regard suggests that competencies be described in terms of observable behaviour.
20) It may be important for a SAI to describe the competencies of an auditor who is fully able to manage an audit in line with the auditing standards that the SAI has adopted, thereby creating a baseline for all other audit positions in the SAI.

21) The extent of documenting competencies for auditors will depend on many factors within the SAI, including access to relevantly qualified human resources, size of the SAI, cost and cost-effectiveness considerations, the envisaged return on investment related to competence development, etc. The SAI may consider developing separate competency profiles per type of position throughout the organisation, but it may also be done in groups, broad categories or team context. Alternatively, the SAI may consider using job profiles – a short statement that links job requirements to competencies – to expand on its overall detailed competency description.

22) Elements to consider when determining the competencies required of an individual auditor, audit team or the grouping of positions within a specific SAI, include:

   a) Competencies which are unique to the role of a public-sector auditor, defined by the specific audit responsibilities associated with the auditing standards that the SAI has adopted;

   b) Competencies that are unique to the SAI (determined by its enabling legislation, mandate, strategy, stakeholder expectations, etc.); And

   c) The SAI’s strategic thinking about an appropriate foundation of personal qualities and values, as well as underlying knowledge and skills necessary to ensure the appropriate application of the two groups of competencies referred to above.

23) The determination of competencies in a SAI is also impacted by career progression. Where technical competence may be the overriding consideration at the start of an auditor’s career, managerial and leadership competencies may become increasingly important as the auditor progresses career-wise. The SAI may consider practical means of addressing this progression in its determination of competencies.
PROVIDING ENABLING HUMAN RESOURCE PRACTICES

Organisational requirement 2

24) A SAI shall have appropriate human resource management processes and practices to ensure that its auditors have the relevant competencies determined by the SAI.

Application material

25) To attract, develop and maintain the competence of individual auditors, it may be necessary to invest in the following appropriate and sound human resource management practices and processes:

a) Human resource management strategy;
b) Human resource planning;
c) Attraction and recruitment;
d) Performance management;
e) Learning and development;
f) Reward and recognition;
g) Retention, replacement and succession, and/or others,

to the extent that the SAI has control over these processes. Where the SAI does not have control over such processes, it will benefit the SAI to proactively communicate its needs to the entity undertaking such processes on its behalf and to influence the processes to fit its needs.

26) The expectation of SAI leadership to have access to competent resources to give effect to the SAI’s mandate also implies an investment in individual capacity development and creating a culture of life-long learning in the organisation. This may be in the form of:

a) Establishing clear and ongoing channels of communication with staff about the SAI’s expectations regarding competence and continuous self-development in the context of its human resource management
strategy, giving context to its human resource management practices and processes, as well as opportunities for development of competencies;

b) Investing in the education of auditors through the availability of scholarships, bursaries or by other similar means;

c) Providing access, internally or externally, to relevant learning and development interventions;

d) Providing specifically structured practical experience opportunities;

e) Providing access to regularly updated documentation dealing with audit methodology;

f) Providing opportunities for on-the-job training, supervision and feedback mechanisms;

g) Providing access to appropriate coaching and mentoring opportunities; and/or

h) Providing opportunities for appropriate knowledge sharing.

PROVIDING PATHWAYS FOR PROFESSIONAL DEVELOPMENT

Organisational requirement 3

27) A SAI shall establish dedicated pathways for professional development of auditors, specifically tailored to the SAI’s mandate, regulatory framework, organisation structure and needs.

Application material

28) In applying its mind to the development of pathways for professional development, a SAI may consider distinguishing between processes of

a) Initial professional development (developing a baseline of competence to be able to manage an audit in line with the auditing standards that the SAI has adopted or linked to a specific position in the SAI); and

b) Continuing professional development (maintaining and keeping competencies relevant, as well as ensuring future readiness).
29) The SAI’s mandate, strategy and needs play a guiding role in the professional development options that a SAI will consider as appropriate for its circumstances. Options to consider may include:

a) Creating an own academy (or similar structure) to conduct professional education and training;

b) Partnering directly with a university to deal with the educational element of a professional development pathway, while handling the other requirements on an in-house basis;

c) Partnering with a professional accounting organisation (PAO) or similar provider to design and deliver professional development opportunities;

d) Following a dedicated recruitment strategy focused on sourcing professionally qualified auditors; supplemented by in-house public-sector audit-specific learning opportunities; and/or

e) Partnering with specific INTOSAI bodies or fellow SAIs to institutionalise professional development options.

30) All pathways for professional development contain appropriate elements of:

a) External learning opportunities (such as a degree at a university, SAI academy or similar institution);

b) Internal learning opportunities (such as specific training courses);

c) Practical experience; and

d) Targeted goalsetting; self-reflection and assessment; and immediate; meaningful feedback per individual participant.

31) The competencies related to a pathway for professional development are typically clearly analysed in their sub-elements of knowledge, skill and personal attributes, as appropriate and relevant to the SAI, to the point where the detailed design and implementation of a related development programme, including assessment per specific competency, are possible.

32) In circumstances where the SAI is faced with conditions requiring external accreditation of auditors who have completed their initial professional
development processes or require a form of “licence to audit”, these considerations will have to be taken into account during the design of the pathway for professional development.

33) To maintain and keep relevant the competencies of its auditors, a SAI may consider the following:

a) Encouraging auditors to set a self-development plan based on the career progression that they envision for themselves;

b) Confirming outcome-driven expectations (proving a level of competence through assessment);

c) Confirming input-driven expectations (investing in a certain number of hours of learning within a specific period of time); and/or

d) Expecting staff to confirm a specific level of competence (self-assessment).

ASSESSING AND MONITORING COMPETENCIES

Organisational requirement 4

34) A SAI shall develop and implement the means for assessment of competencies and following up of auditor development progression or self-development on a periodic basis.

Application material

35) To ensure that its auditors obtain and maintain the competencies required, a SAI may develop an appropriate, relevant and preferably independent means of assessment and monitoring. Examples of such activities include:

a) Submission of a portfolio of evidence for consideration by an internal or external moderator;

b) Workplace observation by a supervisor;

c) Examinations and tests;

d) Staff appraisal systems, etc.
36) In assessing competence, it is important to:
   • Confirm the auditor’s successful development of competence based on specific pre-determined assessment criteria; and
   • Provide the SAI with reliable information about the success of development interventions undertaken and the impact of these interventions on the work of the SAI.

37) To address any deviations from the expected competencies, the SAI may consider agreeing a clear remedial plan with the relevant auditor to ensure that the competency gap is addressed in a focused and transparent manner.

38) To apply the concept of assessment to the SAI as an organisation, its practices for competence development may also be independently assessed at regular intervals.