

**Project Proposal by the Task-force on INTOSAI auditor professionalisation (TFIAP)**

**(January 2021, updated from the February 2020 proposal)**

**DEVELOPMENT OF INTOSAI PROFESSIONAL PRONOUNCEMENTS ON AUDITOR COMPETENCE**

This form is used to stand as a record of the proposal from the project team.

**PART A: PROJECT IDENTITY**

Description	Information	
Project number and title as per SDP	Component 3 of SDP 2020 – 2022 - Developing Pronouncements on Auditor Competence (referred to in the remainder of the document as the proposed “COMP-project”).	
Working title(s) for the new pronouncement(s)	<b>Working title</b>	
	1.	<b>International Standard for Supreme Audit Institutions (ISSAI) 150:</b> Auditor Competence
	3.	<b>Guidance (GUID) 7500:</b> Guidance on the development of competency frameworks for auditors
	4.	<b>Guidance (GUID) 7600:</b> Guidance on the development of pathways for professional development of auditors
	<p>Refer to examples A, B and C in the separately attached “Concept examples – Pronouncements on Auditor Competence” document.</p> <p>If background on the positioning of ISSAI 150 is required, refer to the thinking outlined in the February 2020 submission to FIPP that argued for a specific adjustment to the IFPP to enable this proposal. This adjustment was approved by the INTOSAI Governing Board in November 2020 and gave rise to this updated proposal.</p>	

Project aim	<p>The project aims to give effect to the expectations of the INTOSAI community regarding the development of professional pronouncements on auditor competence. This need is reflected in the INTOSAI strategic plan for the period 2017 to 2022, assigning the following responsibility to the INTOSAI Capacity Building Committee (CBC) - <i>“facilitate the development of standards and guidance for consideration by the common forum [now FIPP] related to auditor education, training and capacity development, and initiate processes and future structures for auditor professionalization (e.g., a core competency framework) based on the outcomes of the work of the Task Group on INTOSAI Auditor Certification.”</i></p> <p>Based on the review of the work done by the Task Force on INTOSAI Auditor Professionalisation (TFIAP) from 2013 and 2019, the INTOSAI CBC Steering Committee had the confidence to propose to the 2019 INCOSAI in Russia that it, through the TFIAP, now proceeds to the development of the envisaged professional pronouncements in the period 2020 to 2022. This proposal was considered and agreed to during the 2019 INTOSAI Governing Board meetings and 2019 INCOSAI.</p>
Project objectives	<p>The objectives of this project are to (a) clarify the global concept of public sector auditor competence in detail, (b) establish principles and/or requirements regarding the development of competent auditors at SAIs, (c) provide guidance on detailed competence considerations for public sector audit professionals at SAIs and (d) provide guidance on the development of pathways for professional development of auditors in an SAI.</p> <p>While the existing IFPP pronouncements clearly identify the need for competent auditors, audit teams and SAIs in the execution of the public sector audit mandate, there are no specific stand-alone pronouncements on auditor competence in the existing INTOSAI Framework of Professional Pronouncements (IFPP) that deal with this concept in a consistent and complete manner.</p> <p>The solution lies in taking full advantage of the work carried out by the TFIAP between 2013 and 2019 - the existing body of knowledge of the INTOSAI CBC (the 2019 “INTOSAI Competency Framework for Public Sector Audit Professionals at SAIs”, and the related guidance on “Developing Pathways for the Professional Development of Auditors in a SAI”). Both these documents have been considered at 2019 INCOSAI and have been published, having adhered to the standard quality assurance processes for INTOSAI public goods.</p> <p>The 2018 global research that the CBC/TFIAP had commissioned – <i>“Inventory of Professional Pronouncements and Pathways for Auditors’ Professionalization”</i> also provides valuable insights into the need for and the thinking around this project.</p>
Project duration	(see Part B below)
Name of the lead WG	Task-Force on INTOSAI Auditor Professionalisation (TFIAP).

Key contacts	Name	Surname	Address	Email	Office Phone	Business Mobile Phone	Organization / Sponsoring SAI
Project Group lead	Jan	Van Schalkwyk	AGSA, PO Box 446, PRETORIA, South-Africa	janvs@agsa.co.za	+27124229823	+27823762246	INTOSAI CBC secretariat (SAI South Africa)
Contact person for the goal chair	Cobus	Botes	AGSA, PO Box 446, PRETORIA, South-Africa	<a href="mailto:cobusb@agsa.co.za">cobusb@agsa.co.za</a>	+27214656539	+27824606432	INTOSAI CBC secretariat (SAI South Africa)
FIPP liaison officer	Alexandra	Popovic	Sankt Eriksgatan 77, Stockholm, Sweden	alexandra.popovic@riksrevisio nen.se	+46851714496		FIPP/Swedish National Audit Office
Other anticipated project team members (list of names and organisations)	<p><b>TFIAP</b> – this group was reconstituted in its 2019 format, with new members added following an invitation to join the group sent to all SAIs at the beginning of 2020. The group now consists of SAIs from the following countries – Austria (also representing the Secretary-General of INTOSAI), Brazil (also representing the INTOSAI PSC), Canada, China, Cayman Islands, Egypt, France, India (also representing the INTOSAI KSC), Japan, Morocco, Philippines, Saudi Arabia, Senegal, Syria and the United States of America. The European Court of Audit and the INTOSAI Development Initiative (IDI) are also members. In terms of regional organisations EUROSAI, AFROSAI-E and PASAI are members of the task-force.</p> <p><b>TFIAP observers/external stakeholders</b> – IFAC, IIA, IAESB and any of its reconstituted relevant committees, GIZ and other donor / development bodies that may show an interest in the work of the task force.</p> <p><b>TFIAP advisory group</b> – A small advisory group to advise on the work of the TFIAP has been established. This is a group of five global experts in the field of competency development that are consulted throughout the development period and who can provide expert commentary during the finalisation of the project deliverables and/or the period for final exposure. Only virtual meetings are envisaged for this group. The members are Greg Schollum (DAG: New Zealand), Martin Sinclair (previously DAG: NAO and lead on TFIAP research project), Natalie Maroun (competency expert that advised TFIAP in its early establishment years), Alta Prinsloo (ex-IFAC, now CEO: PAFA) and Rania Uwaydah Mardini (ex- IAESB).</p>						

**PART B: PROJECT MILESTONES**

Stage		Due process milestones			
1.	Project proposal	Start Date	End Date	Expected Time in Total	Comments
		September 2019	December 2020	15 months	An original proposal was presented to FIPP in December 2019. After a rework it was resubmitted in February 2020.  While the CBC secretariat and the TFIAP accepted the fact that the November 2020 INTOSAI Governing Board (GB) had to consider approval of the proposed changes to the IFPP (as per the second proposal), but – in the interest of time - decided to proceed with detailed development work based on the positive feedback from FIPP in March 2020 and the subsequent positive recommendation from the PSC Steering Committee to the INTOSAI GB to make the proposed changes to the IFPP. This document has now been updated, following the approval of this change.
		N.B. Allow three months between end date of stage 1 and start date of stage 2 for FIPP approval of the project proposal			
2.	Exposure draft	Start Date	End Date	Expected Time in Total	Comments
		June 2020	April 2021	11 months	A first TFIAP meeting was convened in June 2020 to discuss the initial parameters for the development of the three proposed professional pronouncements. Since then, the three envisaged drafts have been developed and exposed for comments within the task-force. Comments from the whole group have been received and work to update the three drafts is underway. The next TFIAP meeting is scheduled for February 2021 to consider the updated documents, before it is sent through to the FIPP for its consideration. The members of the advisory capacity have also been consulted during the above development processes.
		N.B. Allow three months between end date above and start date below for FIPP approval of the exposure draft			

3.	Exposure period	Start Date	End Date	Time in Total (not negotiable)	Comments
		September 2021	December 2021	90 Days	
4.	Endorsement version	Start Date	End Date	Expected Time in Total	Comments
		January 2022	February 2022	2 months	
		N.B. Allow three months between end date of stage 3 and start date of stage 4 for FIPP approval of the project proposal			
5.	Final pronouncement, including translation into all official INTOSAI languages*	Start Date	End Date	Expected Time in Total	Comments
		June 2022	August 2022	3 months	
		*“Unless other mechanisms have been established, the working group is responsible for translation of the approved endorsement version into the five official languages.” (Due Process, page 9). Time must be allowed to obtain the required translations of the endorsement version(s).			

**PART C: INITIAL ASSESSMENT AND PROJECT PROPOSAL**

N°	Initial assessment - Matters to be covered (Due Process, pages 6 and 7) <sup>1</sup>	
C.1.	<p>Explanation of the need for the project</p> <p>Explanation of the purpose of the project</p>	<p>The CBC and TFIAP is responding to the definite and confirmed need for the project. Without developing the competence of auditors in a structured way, ISSAI implementation will never be realised.</p> <p>This need has been the topic of intense discussion over the past six years in the INTOSAI. The first moments of this discussion featured between the INTOSAI Goal chairs in the build-up to the establishment of the Common Forum, later the FIPP. Since then discussion at the INTOSAI CBC, the Goal Chair Collaboration mechanism, the INTOSAI Governing Board and INCOSAI reinforced the need for this project. In a formal sense, the recognition of the need for this project can be found in the first Strategic Development Plan (SDP) and the INTOSAI Strategic Plan 2017 to 2022. More recently the need has been reconfirmed at 2019 INCOSAI in Russia, with the renewal of the mandate of the TFIAP (under the INTOSAI CBC) and the inclusion of this project in the SDP 2020-2022, referred to as Component 3.</p> <p>During the period 2016 to 2019 the TFIAP commissioned a research project to further confirm and understand this need (see INTOSAI CBC web-site). The research recognised the availability of many existing options in the market that can be considered as the foundation for competence development in INTOSAI, but also pointed out the need to “<i>find a higher level of flexibility compared to traditional approaches</i>”. As an example – there is a strong</p>

<sup>1</sup> Please give detailed explanations in the right-hand column or provide references to annexed supporting material

correlation between what has been developed in INTOSAI regarding professional development and the professional pronouncements of the International Accounting Education Standards Board (IAESB). Yet, at a deeper analysis, these requirements (which, at most, may find applicability in professional development in financial audit circles in certain mandates) are quite rigid, and may not work for the development options typically seen in INTOSAI. In dealing with the project described in this position paper, the CBC intends rising to the challenge noted in the TFIAP research to *“take note of existing, successfully implemented professional pronouncements that are available in the market (as flagged by the research) and at the same time noted that INTOSAI should not hesitate to boldly define its own principles and needs in working towards the development of INTOSAI professional pronouncements on auditor competence.”* It is insightful to note that the professional pronouncements developed by the IAASB, deal with competence at a very concise principle level, leaving the detail description of competence considerations to the so-called “education standards” developed by the IAESB. In the view of the INTOSAI CBC this “structural arrangement” between the work of the IAASB and the IAESB serves as a valuable benchmark for the proposed pronouncements in the project proposal.

The INTOSAI CBC and the TFIAP are very aware of the fact that many of the existing pronouncements in the IFPP make reference to the competency of auditors in some way. It has therefor analysed these references partly to inform the ideal positioning of the proposed developments and partly to guide the level of detail required at the level of competency principles and competency guidance. In essence, the INTOSAI CBC and the TFIAP believes that there is a need to find a single home for an INTOSAI (and broader internationally acceptable) complete and consistent reflection on competency considerations for public sector auditors. This analysis is available as part of the INTOSAI CBC’s submission to FIPP.

This proposal should be read with due cognisance of the 2018/19 CBC/TFIAP working document (updated) – “ISSAI analysis for COMP project”, and the “Concept Examples – pronouncements on auditor competence” document

The purpose of the project is to produce 3 pronouncements to give effect to the above, as follows:

- **International Standard for Supreme Audit Institutions (ISSAI) 150:** Auditor Competence
- **Guidance (GUID) 7500:** Guidance on the development of competency frameworks for public sector auditors

		<ul style="list-style-type: none"> <li>• <b>Guidance (GUID) 7600:</b> Guidance on the development of pathways for professional development of auditors</li> </ul> <p>The INTOSAI CBC further believes that it is important to provide FIPP with a number of clear undertakings around this project. These commitments are:</p> <ul style="list-style-type: none"> <li>• Full respect for the requirements of the INTOSAI due process for the IFPP, as well as for the guidance and quality assurance processes of the Due Process of the IFPP and FIPP’s role therein,</li> <li>• An intention to align fully with the classification principles, drafting conventions as well as the “look and feel” of the existing professional pronouncements,</li> <li>• A clear understanding, based on the existing body of knowledge in the INTOSAI CBC, that the envisaged development of professional pronouncements on auditor competence will fully, and without exception, align to the existing set of pronouncements in the IFPP,</li> <li>• An understanding that the credibility of the envisaged developments hinges on abiding by the principles of inclusive and transparent commenting during exposure of the various phases of development,</li> <li>• A commitment to create principle-based, enduring competence professional pronouncements, building on the existing mantra of the INTOSAI CBC – “global profession, local solution” – and fully utilising the existing body of knowledge produced by the TFIAP,</li> <li>• Reflecting the views of the TFIAP that indicated that the needs of the INTOSAI community should be addressed by guidance on critical competence development, rather than standards (while understanding that there is a need for an anchor for these guides at a higher level in the IFPP), and</li> <li>• Recognising the implications of the outcomes of the envisaged phase 1 of the SDP (2019-2022) on any initial assessment, project proposal or work done in terms of such a project proposal.</li> </ul>
C.2.	Description of the categories of auditing or other engagements that will be covered by the new pronouncement(s)	All categories of auditing (FA, CA, PA), as well as engagements by SAIs with Jurisdictional Responsibilities.
C.3.	Description of different types of SAIs / audit engagements that must be accommodated in the new pronouncement	All types of SAIs / audit engagements.


C.4.	Challenges, if any foreseen, that would have to be managed by SAIs in implementing the new pronouncements	<p>The understanding that the success of an audit office depends, amongst others, on the competency of its staff, dates back to the earliest days of INTOSAI, as indicated in INTOSAI-P 1, the Lima Declaration. It also finds expression in other pronouncements such as ISSAI 100, ISSAI 130 and ISSAI 140. The principle of a SAI having to apply its mind to the competency requirements and needs of its staff, is thus not a new one.</p> <p>ISSAI 150 will expand on this understanding by adding a level of formality and structure to this process. Given the inherent evolutionary nature of the process of competency development, a SAI should be able to adhere to the essence of these principles with relative ease, while – over time – committing to mature these basic considerations into a more elaborate and strategically more aligned process. Consequently, it should be possible to set an effective date for implementation relatively soon after the adoption of the new ISSAI 150.</p> <p>The current set of CBC guides dealing with competence development (available since 2019, following adoption by INCOSAI) should also assist in this regard.</p>
C.5.	Explanation of how consistency with ISSAI 100, other existing ISSAIs and other professional pronouncement(s) will be ensured	<p>While the envisaged pronouncements are intended to bring together all references to auditor competence and the development of auditor competence in ISSAI 150 (backed up by appropriate guidance), the TFIAP is very aware of the principles and requirements in existing pronouncements in the IFPP. In this regard, it is important to note the 2018/19 CBC/TFIAP working document (updated) – “ISSAI analysis for COMP project”, and the “Concept Examples – pronouncements on auditor competence” document, that should give assurance that all efforts will be invested to avoid overlaps and duplications (especially with the likes of ISSAI 130 and 140, which also address some elements of auditor competence at organisational level), as well as to ensure consistency in the development work.</p> <p>The CBC / TFIAP is fully convinced that the new developments will align perfectly with all existing pronouncements, and will invest every possible efforts to ensure that this remains the case during the work of the TFIAP.</p>
C.6.	Explanation of the extent to which it will be possible and desirable to build on pronouncements from other internationally recognized, regional or national standard-setters and, if so, the extent to which supplementary pronouncements are needed to provide clarity on new pronouncement	<p>Both the external research conducted by the TFIAP in the past three years and an analysis done during the review of the existing body of knowledge on this topic show good alignment with the requirements of the so-called Education Standards (pronouncement by the IAESB) and similar requirements of global bodies in the profession. At the same time, the research pointed out the need to “find a higher level of flexibility compared to traditional approaches”. As an example, there is a strong correlation between what has</p>



		<p>been developed in INTOSAI regarding professional development and the professional pronouncements of the International Accounting Education Standards Board (IAESB). Yet, at a deeper analysis, these requirements (which, at most, may find applicability in professional development in financial audit circles in certain mandates) are quite rigid, and may not work for the development options typically seen in INTOSAI. In dealing with the project proposal, the TFIAP intends rising to the challenge noted in the TFIAP research to “take note of existing, successfully implemented professional pronouncements that are available in the market (as flagged by the research) and at the same time, noted that INTOSAI should not hesitate to boldly define its own principles and needs in working towards the development of INTOSAI professional pronouncements on auditor competence.”</p>
<p><b>N°</b></p>	<p align="center"><b>Project proposal - Matters to be covered (Due Process, page 7)<sup>2</sup></b></p>	
<p>C.7.</p>	<p>Explanation of organisation of the project describing how project group members will be drawn from relevant sub committees/ working groups/ other interested parties</p>	<p>The current TFIAP structure, with representation from formal INTOSAI organs (general secretariat and goal committees, IDI, INTOSAI regional organisations and SAIs that represent the diversity of INTOSAI in terms of the model of auditing, size, regional representation) has been retained, but - through an open-ended invitation to other interested parties, such as the PSC-sub-committees on financial-, compliance- and performance auditing, to join this group – the membership has been expanded. The group now consists of SAIs from the following countries – Austria (also representing the Secretary-General of INTOSAI), Brazil (also representing the INTOSAI PSC), Canada, China, Cayman Islands, Egypt, France, India (also representing the INTOSAI KSC), Japan, Morocco, Philippines, Saudi Arabia, Senegal, Syria and United States of America. The European Court of Audit and the INTOSAI Development Initiative (IDI) are also members. In terms of regional organisations EUROSAI, AFROSAI-E and PASAI are members of the task-force.</p> <p>In addition, certain external bodies will also remain part of the TFIAP work, in the role of observers. These include the likes of IFAC, IIA, IAESB and any of its reconstituted relevant committees, GIZ and other donor / development bodies that may show an interest in the work of the task force.</p> <p>Lastly, a small advisory group to guide the work of the TFIAP, has been established. This is a group of five experts in the field of competency development that can be consulted throughout the development period and that can provide expert commentary during the finalisation of the project deliverables and/or the period for final exposure. . The members are Greg Schollum (DAG: New Zealand), Martin Sinclair (previously DAG: NAO and lead on TFIAP research project), Natalie Maroun (competency expert that advised TFIAP in its early</p>

		establishment years), Alta Prinsloo (ex-IFAC, now CEO: PAFA) and Rania Uwaydah Mardini (ex- IAESB).
C.8.	Explanation of the outcome of the project specifying how existing professional pronouncements may be affected.	No existing pronouncements will be affected, although future revisions of these may want to focus on bringing greater consistence and completeness to the sections dealing with competence considerations, especially at engagement level.
C.9.	Explain the quality processes that will be applied in the drafting process (see Due Process, page 7 and 8) along with the parties that the project group will consult and engage with.	<p>Quality processes that will remain key in the work of the TFIAP include:</p> <ul style="list-style-type: none"> <li>• Appropriate representation (C7 above)</li> <li>• Access to external experts (C7 above)</li> <li>• A foundation of external benchmarking research, including a review of existing pronouncements in the broader profession (attached),</li> <li>• Consultation with a small but competent international advisory capacity (C7 above).</li> <li>• Pre-determined, structured work-plans (to follow after approval of the project proposal),</li> <li>• Regular consultation with FIPP Liaison officer(s),</li> <li>• Transparent and open reporting at the levels of the INTOSAI CBC Steering Committee, the INTOSAI PFAC and the INTOSAI Governing Board,</li> <li>• TFIAP work-method of practical hands-on development / review sessions,</li> <li>• Prior exposure of body of knowledge that feeds into the development of the pronouncements – the baseline work that will feed into the development of the exposure drafts have already been consulted in the INTOSAI community for a period of 45 days (the highest level for a formal INTOSAI document outside the IFPP)</li> <li>• Planned exposure – a commitment to adhere to the compulsory exposure period of 90 days as specified in the INTOSAI Due process for the IFPP.</li> </ul>

**PART D: AUTHORITIES**

PERSON	NAME	SURNAME	DATE	SIGNATURE
Project leader	Jan	Van Schalkwyk	January 2021	
Responsible Goal Chair	Tsakani	Maluleke	January 2021	Please note attached electronic agreement, serving as sign-off by AG Maluleke