

PEMPAL IACOP

TRAINING & CERTIFICATION: THE SOUTH AFRICAN EXPERIENCE

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Contents

- Background
- The training and development scene
- Data on academic and professional qualifications of Chief Audit Executives
- Professionalisation
- Some interesting programmes for developing internal auditors
- Closure

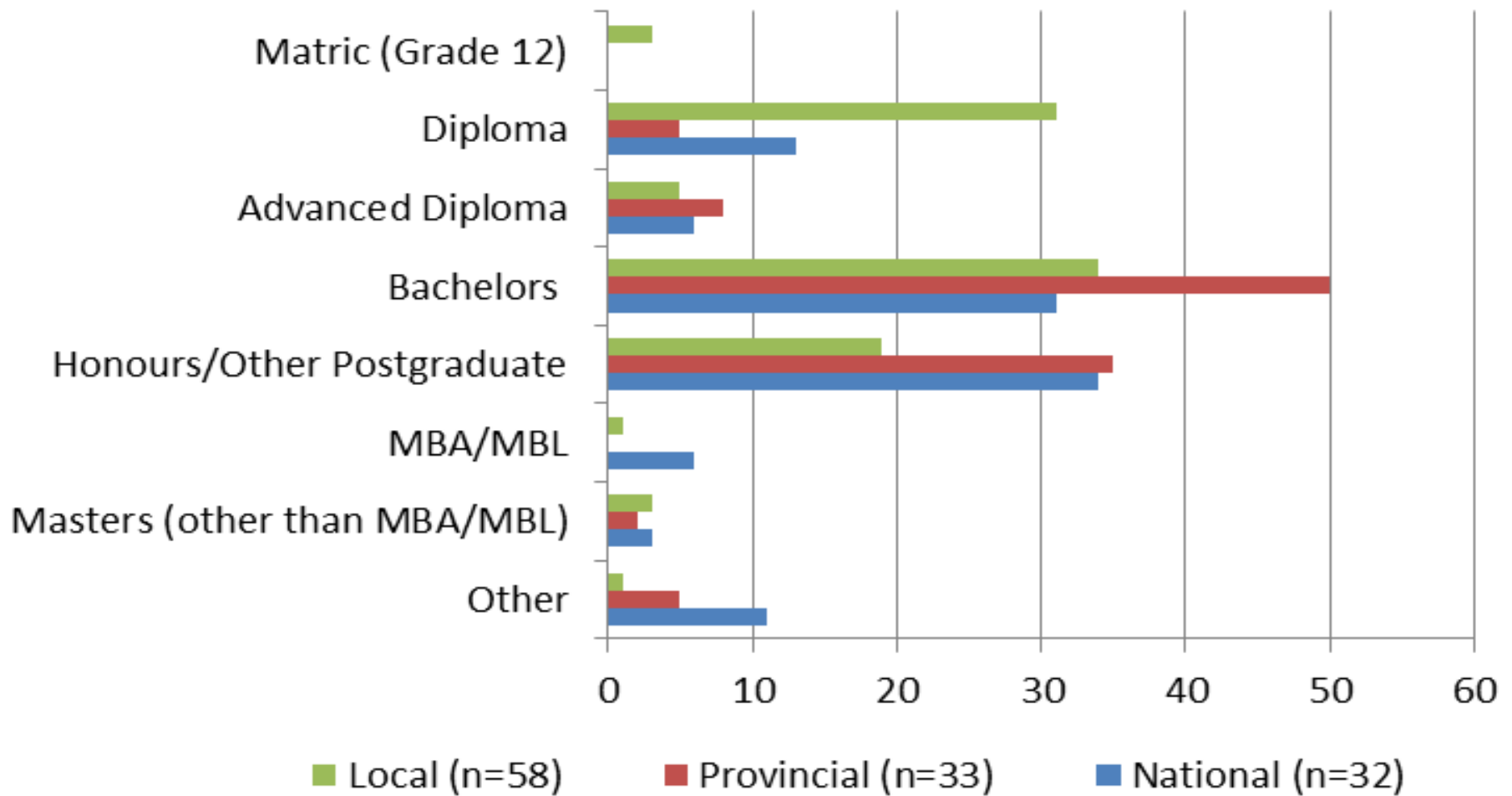
Background

- Financial management regulations for national and provincial governments require that internal auditing must be performed in accordance with the IIA standards
- It is encouraged but not mandatory for Government internal auditors to be members of professional institutes or to have professional certification
- In the recruitment of internal auditors professional certification is mostly regarded as an “added advantage” rather than as an “essential requirement”
- The current arrangements are under review in terms of the Government programme to professionalise the public service

The training and development scene

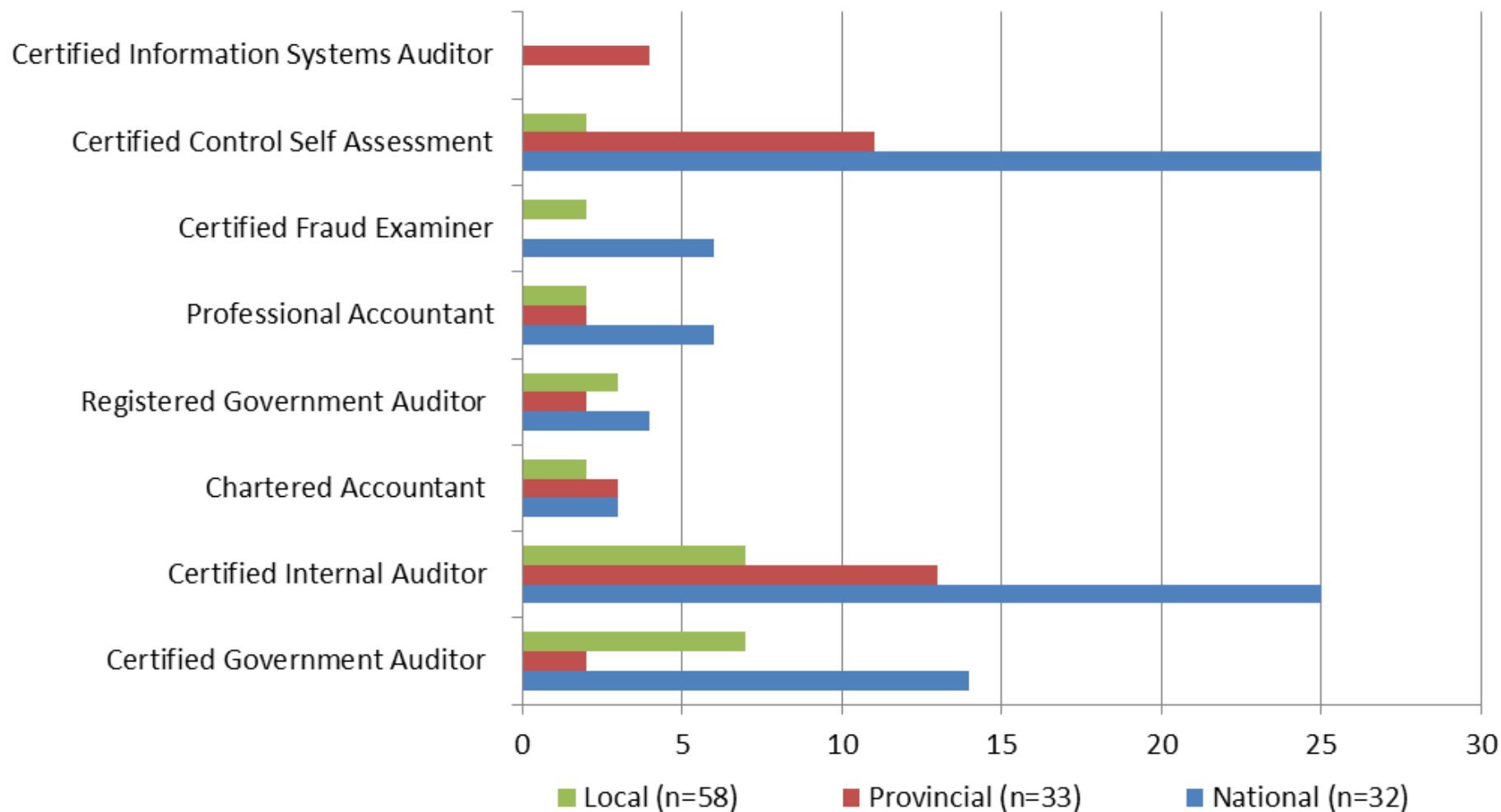
- Education and training in internal auditing is well developed in the country
- The IIA provides a range of professional certificates and technical courses
- Most of the bigger universities offer specialised internal audit degrees
- A number of other further education and training institutes also offer certificates, diplomas and degrees
- An abundance of private training institutions cater for the continuous professional development needs of internal auditors
- Most government institutions pay for internal auditors to obtain certification and/or pursue continuous professional development

Chief Audit Executive Academic Qualifications (Expressed in percentages)



Chief Audit Executive Professional Qualifications

(Expressed in percentages)



Professionalisation

- The government has started with a program to professionalise the public service
- Internal audit has been earmarked for professionalisation
- The main aim of professionalisation is to raise the standard of internal audit and extract a better return on internal audit investment
- One of the soon to be introduced mandatory requirements in support of professionalisation is that the head of an institution must ensure that the internal auditors are properly trained to fulfil their responsibilities
- Currently the requirement is that the head of the institution must ensure that there is an internal function – there is no specific emphasis on competencies

Professionalisation

- Another requirement is that the Minister of Finance may, in consultation with the Minister of Public Service and Administration, prescribe qualifications or require membership of professional bodies for employees involved in internal audit activities
- Professionalisation is expected to bring with it more stringent entry requirements, more emphasis on continuous professional development and periodic attestation of professional status
- Engagements have started with the IIA, academia and other stakeholders to work out the details of professionalisation

Likely outcomes of professionalisation

- A specialised training and certification programme for Government internal auditors (perhaps a CIA equivalent with a public service focus)
- The above programme to broaden the scope of training beyond the technical aspects of internal auditing – and may include, for example, public management, public finance, public strategy and operations
- Training to focus on theory, practical skills and workplace based training (similar to the model for training chartered accountants)
- Introduction of minimum competency requirements for different levels of internal auditors
- Compulsory professional membership so that all aspects of being part of a professional community can be imposed, monitored and evaluated
- Better management of internal auditors career progression

Some interesting existing programmes to develop internal auditors

- Certain institutions are accredited by the IIA to provide in service internal audit training
- National Treasury is accredited to provide in service training for the following programmes:
 - Internal Audit Technician (mainly for fresh graduates)
 - Professional Internal Auditor
- The Chartered Accountants Academy programme which is used to train chartered accountants for the public service has a sizeable internal audit component

Conclusion

- Internal audit is falling short of meeting stakeholder expectations
- The changing internal audit landscape, rising stakeholder expectations and the increasing cost of assurance will continue to exert pressure on internal audit to improve its contribution to the public service
- Improving the quality of internal audit is therefore an essential requirement
- Government has traditionally been a taker but is now moving towards being a maker of internal audit skills to ensure the availability of the right skills for the public service
- An increased focus on training, development and professionalisation are important contributors to this end but not necessarily the be all and end all
- Reforms outside the internal audit space are also needed so that institutions are able to absorb the benefits created by the internal audit reforms, e.g. the institutional attitude towards internal audit

Thank you

