



Internal Audit Continuing Professional Development Policy

1. IIA International Standards for the Professional Practice of Internal Auditing

1200 – Proficiency and Due Professional Care

Engagements must be performed with proficiency and due professional care.

1210 – Proficiency

Internal auditors must possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.

Interpretation:

Knowledge, skills, and other competencies is a collective term that refers to the professional proficiency required of internal auditors to effectively carry out their professional responsibilities. Internal auditors are encouraged to demonstrate their proficiency by obtaining appropriate professional certifications and qualifications, such as the Certified Internal Auditor designation and other designations offered by The Institute of Internal Auditors and other appropriate professional organizations.

1210.A1 – The chief audit executive must obtain competent advice and assistance if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of the engagement.

1210.A2 – Internal auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organization, but are not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.

1210.A3 – Internal auditors must have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. However, not all internal auditors are expected to have the expertise of an internal auditor whose primary responsibility is information technology auditing.

1210.C1 – The chief audit executive must decline the consulting engagement or obtain competent advice and assistance if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of the engagement.

1220 – Due Professional Care

Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.

1220.A1 – Internal auditors must exercise due professional care by considering the:

- Extent of work needed to achieve the engagement's objectives.
- Relative complexity, materiality, or significance of matters to which assurance procedures are applied.
- Adequacy and effectiveness of governance, risk management, and control processes.

- Probability of significant errors, fraud, or noncompliance.
- Cost of assurance in relation to potential benefits.

1220.A2 – In exercising due professional care internal auditors must consider the use of technology-based audit and other data analysis techniques.

1220.A3 – Internal auditors must be alert to the significant risks that might affect objectives, operations, or resources. However, assurance procedures alone, even when performed with due professional care, do not guarantee that all significant risks will be identified.

1220.C1 – Internal auditors must exercise due professional care during a consulting engagement by considering the:

- Needs and expectations of clients, including the nature, timing, and communication of engagement results.
- Relative complexity and extent of work needed to achieve the engagement's objectives; and
- Cost of the consulting engagement in relation to potential benefits.

1230 – Continuing Professional Development

Internal auditors must enhance their knowledge, skills, and other competencies through continuing professional development.

2. Cape Agulhas Municipality Internal Audit Activity Continuous Development

As highlighted above, the IIA Standards require that it is mandatory that all internal audit professionals enhance their knowledge, skills and competencies through continuous professional development.

BVM has a centralised training budget which is rolled out by way of the Workplace Skills Plan(WSP) through identified prioritised training, approved by the Training Committee. Internal audit continuous development needs must compete with the rest of BVM staff for prioritisation due to the limited funds available.

Alignment of BVM WSP to mandatory continuous development of internal audit professionals and individual professional certification processes needs to be ensured, for internal audit to comply with the IIA Standards.

The Institute of Internal Auditors require that each individual auditor to meet certain continuing professional education (CPE) requirements once certified (CIA, CCSA, etc.). The IIA Standards requires the auditor to:

- Have at least 80 of CPE in a two-year period.
- Have no fewer than 20 hours of CPE in any one year of the two-year period.

- Have at least 24 of the 80 hours of CPE in subjects that directly relate to government auditing, the government environment, or the specific or unique environment in which the audited entity operates.

All auditors in the Internal Auditor's Office are required to comply with these requirements. Each individual auditor is responsible for maintaining a file documenting completed CPE and reporting periodically CPE hours earned on the IIA Global CCMS database to ensure compliance with CPE requirements. The CPE file will maintain evidence of satisfactory completion of CPE either in the form of certificates issued by the CPE provider or other evidence supporting the claimed hours. Non-compliance with CPE requirements will result in loss of professional certification.

3. International Professional Practices Framework (IPPF):

The IIA Global Internal Audit Competency Framework (the Framework) is a tool that defines the competencies needed to meet the requirements of the International Professional Practices Framework (IPPF) for success within the internal audit profession. Continuous assessment against said framework is needed to guide professional development and ensure compliance with prescribed competencies.

A competency is the ability of an individual to perform a job or task properly, being a set of defined knowledge, skills, and behaviours. The Framework provides a structured guide, enabling the identification, evaluation, and development of those competencies in individual internal auditors.

The principal points of focus of an internal auditor's expertise are the IPPF; governance, risk, and control; and business acumen. The IPPF is the primary source of professional standards for internal audit that the IIA provides to internal auditors around the world. Additionally, internal auditors require technical expertise in Governance, Risk, and Control to inform their work and help organizations accomplish their objectives. Business Acumen in the form of understanding the client organization, its culture, the way it works, the sector it operates in, and the local and global factors that act upon it is another essential prerequisite that enables internal auditors to provide effective assurance and advisory services and so add value to the organization. Internal auditors need to be competent in Communication, Persuasion and Collaboration, and Critical Thinking in order to deliver internal audit engagements and drive improvement and innovation in an organization.

In reviewing The IIA Global Internal Audit Competency Framework for The IIA Career Map, the Competency Framework task force identified the minimum level of proficiency for each competency by job role. The definitions provided for the behaviours are suggested and should be combined with other assessments for a broader measure of total proficiency. This tool is a guide to help feed into a larger assessment of one's complete level of knowledge, skills, and behaviours.

The most important role of the Framework is to communicate the key areas of competence specific to internal audit so as to inform professional development by teams and individuals. The Framework is a living document that will continue to evolve as the profession evolves.

PROFICIENCY LEVEL	DESCRIPTION
5 – Expert	<ul style="list-style-type: none"> • Apply foresight to help senior management and the audit committee guide the organization • Assist management to identify innovative approaches to mitigate risk • Provide subject matter expertise to others in addressing situations with higher complexity • Serve as a role model
4 – Skilled	<ul style="list-style-type: none"> • Demonstrate advanced task/ skill/ knowledge • Use insight from this knowledge to coach and supervise others • Can perform complex tasks independently
3 – Applied Knowledge	<ul style="list-style-type: none"> • Apply task/ skill /knowledge accurately and independently
2 – General Awareness	<ul style="list-style-type: none"> • Can perform routine tasks under normal business conditions • Can perform some of the applied tasks but not all • Can perform most of the applied tasks with limited supervision/ coaching
1 – Limited Awareness	<ul style="list-style-type: none"> • Awareness of task/ skill/ knowledge • Follow instructions under direct supervision

The most important role of the Framework is to communicate the key areas of competence specific to internal audit so as to inform professional development by teams and individuals. The Framework is intended to form a foundation that can be adapted and applied by practitioners, line managers, HR professionals, trainers, and others. Given the diversity of professional practice globally, there are practical difficulties in devising a framework that could be regarded as both fully comprehensive and universally applicable. The Framework is a living document that will continue to evolve as the profession evolves. The IIA Career Map is the first tool that applies the Framework and allows practitioners to assess competencies and build a development plan.



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9 November 2020



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9 November 2020

