



A joint initiative of the OECD and the European  
Union, principally financed by the EU

# Internal Audit COP Training and Certification

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# Issues that should be considered

1. Diverse needs of CoP members – domestic legislation and circumstances -can a regional scheme work?
2. Criticisms of country schemes;
3. The best schemes and their characteristics
4. Is international recognition important?
5. Developing a regional qualification requires management, considerable finance and commitment – all high risk.
6. T&C with international recognition.;
7. Costs;
8. Lessons.



# Diverse needs of CoP members

Factors:

Expectations of internal audit – driven by  
experience of inspection;

Tradition of detailed legislative compliance;  
therefore detailed knowledge of law required;

High levels of fraud and corruption affect  
attitudes to internal audit;

Limited development of managerial  
responsibility;

No understanding of managerial risk, nor a real  
capacity to identify risk;

Focus of all ‘control’ activity is on compliance –  
Treasury and MoF.





# Criticisms of country training schemes

- Tend to have a heavy legal knowledge requirement;
  - Focus heavily on requirement to understand internal audit theory such as standards;
  - Limited attention paid to basic internal audit techniques and procedures;
  - Because heavily theory based have only limited, or no, practical experience requirements;
  - Training programmes usually too short to develop practical internal audit skills;
  - Certification is country based: no independent assessment and no ability to compare standards between countries;
- One aim has been to keep training costs low.



# Characteristics of best schemes

The best training schemes have these characteristics:

1. Based upon some degree of international comparators – Hungary, Slovenia, Kosovo;
2. Have a syllabus that is much more heavily focussed on the practicalities of internal audit – less focus on law;
3. Internal audit is set in the context of public sector financial management: trainees need an understanding of accounting and public financial management;
4. The schemes also address ‘soft’ skills;
5. They recognise that at least two levels are required – basic and managerial;
6. Training is a ‘managed’ process.



# Is international recognition important?

Advantages of international recognition are:

- Independent assessment yardstick – i.e. quality control;
- No need to develop own syllabus in detail, apart from local adaptations to local circumstances;
- Possibility of automatic updating as international developments occur;
- Higher level of prestige;
- Can be clearer linkages between practical experience requirements and theoretical training;
- Opportunities to build local professional institutions.





# Developing a regional qualification – means identifying:

1. What the 'market' requires – syllabus and levels of qualification and compromises needed;
2. Whether there is to be a 2 part syllabus, regional and domestic – with different assessment processes?
3. What would be the training and assessment arrangements;
4. Funders for set up costs i.e. syllabus and training development (cost up to €5million); (CoP members would need to find funders for ongoing costs);
5. Management process for the development of the syllabus and the learning materials;
6. Management arrangements for the delivery and assessment of the qualification;
7. Systematic arrangements to update syllabus.



# T & C with international recognition

What the 'market' requires – syllabus and levels of qualification; compromises essential;

A partner who can provide international recognition;

Negotiating parameters with partner over:

- syllabus and updating
- training and quality control
- assessment
- practical experience requirements pre certification;
- finance, market size and continuity
- languages.

NB. 1 Intellectual copyright will rest with partner for international element of syllabus.

2 Choice of partner will affect flexibility towards syllabus, assessment and training.

3 Problem for CoP will be how to provide the country commitment the partner will require.







# Costs

Main cost differences between T&C with international recognition and with no international recognition:

No international recognition:

High development costs for new syllabus, learning materials and assessment arrangements;

Ongoing costs will depend upon regional/domestic elements of the qualification, but for regional element costs will be substantial.

International recognition:

Limited development costs unless CoP demands a new syllabus, training and assessment process;

Ongoing costs probably higher than with no international recognition – perhaps €300000+ for 2 cohorts + local training costs.

# Lessons from T&C experiences

Accept that internal audit will only be effective if it is set in a financial management context and syllabus has to reflect this;

Significant benefits from looking at recognised international programmes;

Develop an entry programme for an international qualification, such as TIAPS;

Compromises will be needed between 'ideal' syllabus and what is realistic;

Separate local from international requirements;

Link theory with practical experience activity;

International certification adds 'prestige' and authority.

