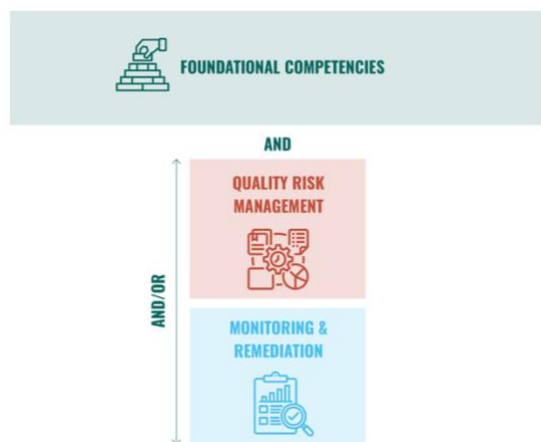


ANNEX 1

COMPETENCY FRAMEWORK

AUDIT QUALITY MANAGEMENT SPECIALIST

The revised ISSAI 140 introduces systemic, dynamic, scalable and risk-based approach in managing audit quality. It requires SAIs to establish a system that promotes continuous improvement through risk management, monitoring and remediation, and the evaluation.



This transition provides Supreme Audit Institutions (SAIs) with an opportunity to develop innovative solutions, even when working within limited resources—a common reality for smaller SAIs. This new approach enables SAIs to prioritise their resources on matters that contribute to achieving quality objectives or address risks to quality. By focusing on making the best use of their people, SAIs can enhance their ability to deliver high-quality audits and cultivate the specialised skills needed to implement quality management processes effectively.

The shift to a new approach in quality management also offers the chance to nurture a fresh mindset and strengthen organisational culture. Leaders and staff can work together to embrace these changes, fostering a shared understanding that quality is everyone's responsibility. This collective effort will not only smooth the transition but also lay the groundwork for long-term improvements in how quality is managed. Finally, this change allows SAIs to review and refine existing policies and practices. By aligning them with a more robust, risk-based quality management system, SAIs can build on what already works while creating a framework that is more resilient and adaptable to future needs.

With these opportunities, and reflecting on the experience from our pilots of the System of Audit Quality Management (SoAQM), we identified the need to further support SAIs in establishing fit-for-purpose SoAQMs consistent with the requirements of the revised ISSAI 140 and other related quality management standards, and build competencies to support the operation of the system. As one of the solutions, the IDI launched a new Certificate – Audit Quality Management (AQM) Specialist. The certificate provides education built on the T-shaped competency framework with foundational and specialised competencies. The foundational competencies cover basic competencies for setting up the system, including some of the soft skills. These are supplemented by specialised competencies on quality risk management and the monitoring and remediation.

FOUNDATIONAL COMPETENCIES		
Ref.	Competencies	Expected Behaviour
CC1	An audit quality management specialist establishes fit-for-purpose System of Audit Quality Management	
CC1.1	Applies ISSAIs and principles in IFPP relevant to SAIs' mandate	- Explains the key elements and structure of the IFPP - Applies the standards applicable to audits within the SAI mandate
CC1.2	Uses core audit skills as per framework developed under ISSAI 150, and basic IT skills	- Analyses data and information effectively using financial and non-financial information, drawing from a wide variety of data sources - Identifies appropriate ways to implement standards in the audit process - Uses and leverages information technology effectively
CC1.3	Explains the new approach to audit quality management as defined in applicable standards	- Explains the purpose and scope of the revised ISSAI 140 - Describes the key principles and organisational requirements of the revised ISSAI 140 - Identifies how SoAQM introduces changes on how audit quality is managed
CC1.4	Defines the responsibilities for the System of Audit Quality Management and the roles of the Audit Quality Management Specialist	- Distinguishes between the ultimate responsibility and accountability for the SoAQM, and the operational responsibilities consistent with the requirements of the standard - Defines the practical application of the roles and responsibilities in the SAI context - Defines the eligibility requirements for the roles and responsibilities on key quality management processes - Defines the responsibilities of the AQM Specialist
CC1.5	Sets up the System of Audit Quality Management	Determines the fit-for-purpose option to set up the SoAQM focusing on the key quality management processes covered in the organisational requirements of revised ISSAI 140
CC1.6	Documents the design, implementation and operation of the System of Audit Quality Management	- Prepares documentation that is sufficient to cover the design, implementation and operation of the system of audit quality management - Retains the documentation in accordance with requirements of the standards, laws and regulations

FOUNDATIONAL COMPETENCIES

Ref.	Competencies	Expected Behaviour
CC2	An audit quality management specialist exemplifies excellence and professionalism	
CC2.1	Exercises emotional intelligence through self-awareness, self-management, awareness of others, and management of relationships	• Reflects on experiences and identifies lessons learnt • Displays the following: ○ Self-awareness; ○ Self-management; ○ Awareness of others; and ○ Management of relationships • Treats people with respect irrespective of their profession, their views on diverse matters, position, gender, religion, ethnicity, abilities, etc. • Shows an understanding of different cultural norms within the working environment and responds effectively to these differences.
CC2.2	Acts in the public interest	• Demonstrates an understanding of, and operates effectively within, the public-sector environment • Demonstrates the understanding that the SAI exists to serve the citizens, and behaves accordingly • Demonstrates a responsiveness to emerging issues
CC2.3	Upholds ethical behaviour	• Demonstrates an understanding of the applicable code of ethics and acts accordingly, in letter and spirit, in every situation • Demonstrates compliance with SAI culture, policies and procedures
CC2.4	Displays personal accountability	• Behaves in a transparent manner and is accountable for meeting performance targets • Is open to scrutiny and criticism and displays willingness to take corrective action
CC2.5	Exercises sound professional judgment and scepticism	• Exercises professional judgement and scepticism while applying standards, analysing quality needs, and in designing, implementing and operating the system of audit quality management • Seeks advice if difficult or contentious issues are encountered when exercising professional judgement

FOUNDATIONAL COMPETENCIES

Ref.	Competencies	Expected Behaviour
CC3 An audit quality management specialist communicates effectively		
CC3.1	Displays understanding of the stakeholders, their roles and needs relevant to system of audit quality management	Identifies key stakeholders and understands their explicit and implicit needs, expectations and operations. These stakeholders include both internal stakeholders (SAI management, peers and audit team) and external stakeholders as applicable (audited entities, parliaments, media, citizens, etc.).
CC3.2	Applies proficient language/ communication skills	- Uses clear, concise, and grammatically correct language - Ensures accuracy and completeness in communications - Adjusts communication style to suit different situations - Maintains a professional demeanor in all interactions - Delivers clear and concise presentations. - Communicates effectively with stakeholders to give and exchange information with meaningful context and appropriate delivery, both verbally and in writing - Demonstrates active listening skills and openness in communicating with stakeholders - Is able to use different types of media tools for communicating
CC3.3	Uses effective facilitation skills	- Creates a conducive environment for discussion - Asks effective questions: Uses open-ended questions to encourage thoughtful participation and exploration of different perspectives - Keeps discussions focused and on track, ensuring that all participants have an opportunity to contribute - Mediates disagreements constructively, helping participants find common ground or compromise - Clearly summarizes key points and action items to reinforce learning and ensure understanding - Adjusts facilitation style to suit the group's dynamics and preferences - Creates opportunities for all participants to contribute, regardless of their level of experience or confidence
CC3.4	Produces value-adding reports	- Tailors the content and format according to the needs of the users - Collects and analyses data from various sources, cleans and organizes it, and applies appropriate analytical techniques - Draws clear conclusions and presents findings in a concise and meaningful way, highlighting key insights and implications - Uses effective visualisations - Provides actionable recommendations - Ensures clarity and accuracy - Delivers reports on time
CC4 An audit quality management specialist drives positive change		

FOUNDATIONAL COMPETENCIES

Ref.	Competencies	Expected Behaviour
CC4.1	Contributes to SAI Performance	- Aligns performance goals and direction with the strategic direction of the SAI - Monitors and follows up on audit outputs, which contribute to delivering the value and benefits of the SAI
CC4.2	Manages project plan	- Creates comprehensive project plans - Sets clear milestones and allocates resources effectively - Identifies and manages risks to the implementation of the project plan - Monitors and adjusts project progress - Utilizes project management tools - Adapts to changing circumstances
CC4.3	Leads organisational change	- Advocates positive change - Shows an ability to learn from successes and failures - Evaluates readiness and capacity for change - Sets clear goals for what the change should achieve - Develops effective change management strategies/plans
CC4.4	Shows team management skills	- Demonstrates leadership skills and ability to influence, inspire and motivate others to achieve results - Works well in a team context to help manage organisational risks and resources effectively - Provides timely, sufficient and appropriate information to management to enable them to make informed and strategic decisions
CC4.5	Fosters continuous learning	- Encourages a learning culture and drives knowledge transfer and awareness raising - Provides development opportunities including training, workshops, or mentorship programs to enhance team members' skills - Promotes self-directed learning that encourages individuals to take ownership of their professional development - Facilitates knowledge sharing - Stays updated on professional trends to keep abreast of developments in the field and shares relevant information with the team - Embraces feedback to improve performance and learning

QUALITY RISK MANAGEMENT

Ref.	Competencies	Expected Behaviour
QRM1	An audit quality management specialist establishes quality objectives	• Defines quality objectives, their purpose and scope • Determines the fit-for-purpose options to establish quality objectives based on the SAI context • Develop quality objectives or subquality objectives as appropriate
QRM2	An audit quality management specialist identifies quality risks	• Defines quality risks, their purpose and scope • Determines the fit-for-purpose options to identify quality risks based on the SAI context • Describes the identified quality risks based on the essence of the data gathered
QRM3	An audit quality management specialist assesses quality risks	• Assesses how the condition, event, circumstance, action or inaction would affect the achievement of the quality objectives • Assesses how frequently the condition, event, circumstance, action or inaction is expected to occur • Assesses how long it would take after the condition, event, circumstance, action or inaction occurred for it to have an effect, and whether in that time the SAI would have an opportunity to respond to mitigate the effect • Assesses how long the condition, event, circumstance, action or inaction would affect the achievement of the quality objective once it has occurred • Uses effective methods in ranking quality risks for prioritisation
QRM4	An audit quality management specialist designs responses to quality risks	• Designs responses proportionate to the assessed quality risks • Defines the nature, timing and extent of responses • Identifies the appropriate level at which to implement the responses and the responsible implementers • Determines whether engagement quality review is an appropriate response to quality risks

QUALITY RISK MANAGEMENT

Ref.	Competencies	Expected Behaviour
QRM5	An audit quality management specialist implements responses to quality risks	• Implements responses in accordance with the specified plans • Coordinates with other functions or individuals involved in the implementation of responses • Tracks the progress of the implementation and provides relevant information to the monitoring and remediation function
QRM6	An audit quality management specialist assesses and updates quality objectives, quality risks and assessments made, and responses to reflect the changes in the circumstances	• Maintains awareness and assesses information or condition that will require updates on quality objectives, quality risks and responses to risks • Updates quality objectives, quality risks and responses to risks reflecting changes in the circumstances
QRM7	An audit quality management specialist prepares sufficient and appropriate documentation for quality risk management process	• Uses appropriate tools to document the result of quality risk management process • Prepares sufficient and appropriate documentation about the established quality objectives, identified quality risks, assessments made, designed responses and result of implementation, and any updates made • Prepares relevant records that will be used for reporting purposes

MONITORING AND REMEDIATION

Ref.	Competencies	Expected Behaviour
MRP1	An audit quality management specialist plans the nature, timing and extent of monitoring activities	• Designs appropriate monitoring activities taking into account reasons for the assessments given to quality risks, design of responses, design of the quality risk management process and monitoring and remediation process, changes in the system, and results of previous monitoring • Defines the scope of the monitoring at the organisational level and reviews of completed audits based on the established criteria • Determines the appropriate timing when the monitoring activities will be performed
MRP2	An audit quality management specialist monitors the system at the organisational level and reviews completed audit engagements	• Performs monitoring at the organisational system level covering all the components of SoAQM, including the quality risk management, based on the established processes • Reviews completed audit engagements based on the established process, using selected audits from total SAI audit engagements or engagement supervisors
MRP3	An audit quality management specialist identifies deficiencies in the system	• Analyses information obtained in the monitoring activities to identify meaningful findings • Evaluates whether findings constitute deficiencies in the system
MRP4	An audit quality management specialist analyses root causes of deficiencies	• Analyses underlying circumstances that caused the deficiency, going beyond superficial symptoms to uncover the root causes. • Uses various analytical techniques, such as fishbone diagrams, and 5 Whys, to identify the underlying causes of deficiencies • Considers a range of factors that may contribute to deficiencies, including process breakdowns, human error, inadequate controls, and external influences • Collects and analyses relevant data to support the identification of root causes • Evaluates the significance of each root cause and prioritizes them based on their potential impact.
MRP5	An audit quality management specialist evaluates deficiencies in the system	• Assesses deficiencies in the system in terms of their severity and pervasiveness • Prioritises deficiencies with regard to the assessed severity and pervasiveness, as appropriate to promote targeted remedial actions

MONITORING AND REMEDIATION

Ref.	Competencies	Expected Behaviour
MRP6	An audit quality management specialist designs effective remedial actions	- Ensures that the proposed corrective actions address the root cause rather than just the symptoms - Designs remedial actions that are practical, feasible, and tailored to the specific deficiency - Ensures that remedial actions comply with relevant regulations and standards - Collaborates with relevant stakeholders, such as management, auditors, and subject matter experts, to develop and implement effective remedial actions
MRP7	An audit quality management specialist evaluates whether remedial actions have been appropriately designed, and implemented.	- Reviews remedial action plans for their comprehensiveness, alignment with deficiencies, and feasibility - Monitors progress, adherence to timelines, and resource allocation - Evaluates if actions address root causes, prevent recurrence, and meet intended outcomes - Gathers relevant data to measure performance, identify trends, and assess impact - Identifies shortcomings in implementation or effectiveness, and takes corrective measures
MRP8	An audit quality management specialist reports on the result of monitoring and remediation process	- Clearly and concisely reports the results of monitoring and remediation activities, including any identified deficiencies, corrective actions taken, and their effectiveness - Effectively communicates the results of monitoring and remediation to relevant stakeholders, such as management, auditors, and other interested parties - Delivers reports in a timely manner, ensuring that stakeholders have access to the most up-to-date information - Reports on the follow up on recommendations
MRP9	An audit quality management specialist prepares sufficient and appropriate documentation for the monitoring and remediation process.	- Clearly and concisely documents the processes and procedures used for monitoring and remediation - Ensures that all relevant documentation related to monitoring and remediation activities is maintained in a centralised and organized manner in accordance with the documentation policy - Provides sufficient and appropriate documentation to support decision-making related to monitoring and remediation activities - Restricts access to documentation to authorised personnel and ensures that appropriate confidentiality measures are in place - Retains the documentation within the prescribed period in the policy or regulation