# The Southern African Institute of Government Auditors
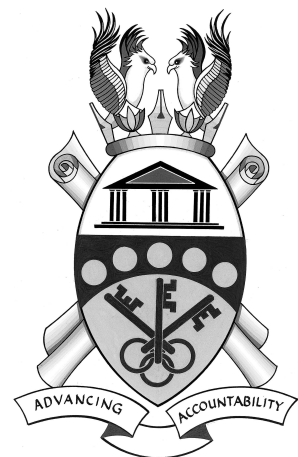
## COBOKS

### Common Body of Knowledge & Skills For Registered Government Auditors

### 2014

**SAIGA**

ADVANCING AUDITING AND ACCOUNTABILITY

ADVANCING ACCOUNTABILITY

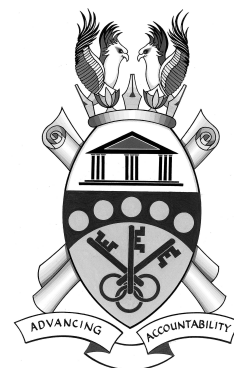# The Southern African Institute of Government Auditors

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# 2014

The curriculum for the professional education and development of Registered Government Auditors in South Africa

## COBOKS

### COMMON BODY OF KNOWLEDGE & SKILLS

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### EXECUTIVE SUMMARY

This model outcome-based curriculum was developed by the Southern African Institute of Government Auditors (SAIGA) to provide the South African public with a description of the technical subject areas that a candidate must master to become a Registered Government Auditor (RGA).

The Common Body of Knowledge and Skills (COBOKS) combines a number of both cognitive as well as technical skill requirements which are acquired through various phases of professional development. The adopted model acknowledges that a professional candidate develops the necessary knowledge and skills by passing through various institutions of learning and gains experience at various levels. The requirements are therefore flexible enough to allow for diversity, mobility and numerous entry points. All requirements are harmonised to meet global and national requirements.

The COBOKS serves as a guide not only to prospective RGAs, but also to tertiary and other training institutions as well as training offices and mentors, who recruit, educate and develop prospective RGAs.

The South African Qualification Authority (SAQA) has recognised SAIGA as a professional body and the professional designation "RGA" is registered on the National Qualifications Framework (NQF) for the purposes of the NQF Act of 2008. The Registered Government Auditor (RGA) is the only professional government auditing qualification/designation. The RGA is also recognised by the Auditor-General South Africa (AGSA) as a professional qualification in South Africa.

**www.saiga.co.za**

**SAIGA**

ADVANCING AUDITING AND ACCOUNTABILITY

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## OVERVIEW AND STRUCTURE

The Common Body of Knowledge and Skills (COBOKS) sets out the professional educational requirements of Registered Government Auditors (RGAs). This is published with immediate effect (November 2013).

It provides a description of the technical subject areas that a RGA candidate must master in order to qualify for registration as Registered Government Auditor. The Common Body of Knowledge and Skills serves as a guide not only to prospective RGAs, but also to tertiary and other training institutions as well as training offices that recruit, educate and develop prospective RGAs.

The COBOKS is developed by taking into account global accounting curriculum benchmarks and guidelines which have been set by:

- the International Organisation of Supreme Audit Institutions (INTOSAI)
- the International Federation of Accountants (IFAC)
- the United Nations UNCTAD Secretariat
- other international accounting and auditing institutes.

It also incorporates specific national (South African) requirements as applicable to:

- the Auditor-General South Africa (AGSA)
- the South African Qualifications Authority (SAQA)
- tertiary institutions
- the accreditation criteria by the Independent Regulatory Board for Auditors (IRBA).

The qualification requirements combine a number of both cognitive as well as technical skill levels which are acquired through various phases of professional development. COBOKS acknowledges that the candidate develops the necessary

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knowledge and skills by passing through various institutions of learning and gains experience at various levels. The requirements are therefore flexible enough to allow for diversity, mobility and numerous entry points.

The professional designation/qualification "RGA" is registered on the National Qualifications Framework (NQF) for the purposes of the NQF Act of 2008. The Registered Government Auditor (RGA) is the only professional government auditing qualification/designation in South Africa.

The AGSA has also recognised the RGA as a professional qualification.

Throughout their careers, RGAs will engage in continuing professional development (CPD) which may result in considerably *higher* knowledge and skill levels unique to a specific environment which demands these specialised skills. This is a common phenomenon amongst professionals. COBOKS therefore specifies only the *minimum* entry requirements.

The seven components of the above system, profiling the Common Body of Knowledge and Skills for Registered Government Auditors are:

I    GENERAL KNOWLEDGE AND SKILLS

II    THE DETAILED SPECIALISED CURRICULUM

III    GOVERNMENT AUDITING EXPERIENCE

IV    THE GOVERNMENT AUDITING SPECIALISM PROGRAMME

V    THE QUALIFYING EXAMINATION

VI    CERTIFICATION

VII    CONTINUING PROFESSIONAL DEVELOPMENT

The detailed curriculum which is examined through the RGA Qualifying Examination, profiles a specialised professional:

- the Government Auditor.

The combinations of the above requirements profile a unique professional in South Africa:

- the Registered Government Auditor (RGA).

Through the certification process, all Registered Government Auditors become members of the Southern African Institute of Government Auditors.

This document records the approach, philosophy, procedures and requirements which have to be followed to become a Registered Government Auditor.

## DEFINITIONS & ACRONYMS

| | |
|---|---|
| Outcomes | Outcomes means the contextually demonstrated end products of the learning process |
| Critical outcomes | Critical outcomes means those generic outcomes which inform all teaching and learning |
| Specific outcomes | Specific outcomes means contextually demonstrated knowledge, skills and values, which support critical outcomes |
| AGSA | Auditor-General South Africa |
| COBOKS | Common Body of Knowledge and Skills (for Registered Government Auditors) |
| Council | The Council of SAIGA |
| EB | The Examination Board (of SAIGA) |
| EXCO | Executive Committee (of SAIGA) |
| ETC | Education & Training Committee (of SAIGA) |
| GAAP | Generally Accepted Accounting Practices |
| GAE | Government Auditing Experience |
| GAE G&R | The GAE Guidelines and Regulations |
| GAMAP | Generally Accepted Municipal Accounting Practices |
| GASP | Government Auditing Specialism Programme |
| E-GASP | Extended Government Auditing Specialism Programme |
| GATE | GAE Assessment Tool Electronic (the spread sheet in which the practical experience of a trainee auditor is recorded) |
| GRAP | Generally Recognised Accounting Practices |
| he | he and she (male and female gender) |
| his | his and her (male and female gender) |
| IAS | International Accounting Standards |
| IFAC | International Federation of Accountants |
| IFRS | International Financial Reporting Standards |
| IRBA | Independent Regulatory Board for Auditors (the statutory body for private sector auditors |
| INSTITUTE | Southern African Institute of Government Auditors |
| INTOSAI | International Organisation of Supreme Audit Institutions |
| MFMA | Municipal Finance Management Act (Act 56 of 2003) |
| NQF | National Qualifications Framework |
| PAA | Public Audit Act (Act 25 of 2004) |

| PAM | Audit manuals of the AGSA |
| PFMA | Public Finance Management Act (Act 1 of 1999 as amended) |
| PFM Ac | Public Finance Management Academy |
| RGA | Registered Government Auditor |
| RGA-QE | Qualifying Examination for Registered Government Auditors |
| SAI | Supreme Audit Institution |
| SAIGA | Southern African Institute of Government Auditors |
| SAQA | South African Qualifications Authority. |

*In this document the term "his" is construed to refer to both "his" and "her";*
*And the term "he" is construed to refer to both "he" and "she"; (male and female).*

## THE PRACTICAL ROUTE
## TO QUALIFY AS A REGISTERED GOVERNMENT AUDITOR

The RGA entry requirements can be broken-down into the following four phases:

I **Formal education at a tertiary institution**

II **Government Auditing Experience (GAE)**

III **The Government Auditing Specialism Programme (GASP)**

IV **The Qualifying Examination for Registered Government Auditors.**


I **Formal education at a tertiary institution**

The prospective RGA will have to obtain a qualification complying with certain minimum requirements as later set out in more detail. The philosophy followed is that a *three year business orientated degree / diploma* (as specified) will provide the general and basic knowledge and skills needed to function in an interdependent economy. These basic skills and supportive subject content are not defined in this curriculum. All tertiary institutions engage in extensive and on-going curriculum research to ensure that their formal programmes are market-orientated and meet the needs of all major role players in the economy.

Whilst certain differences and nuances may occur, as far as curriculum content of the various tertiary institutions is concerned, COBOKS rather focuses on *minimum* knowledge and skills levels which complement core knowledge and skills unique to the RGA.

The registration requirements are:

Three year degree or diploma from a registered* tertiary institution. Minimum required subjects which have to be passed successfully are:

- Financial Accounting (three full years)
- Auditing (two full years) – excluding *internal* auditing
- Management Accounting / Financial Management (two full years)
- Taxation (one full year)
- Computer Information Systems (one full year)
- Commercial Law (one full year)
- Statistics / Research Methodology (one full year).

Note: the Institute acknowledges that tertiary institutions may use different names for the above generic subjects (some given above, see: "/").

* Registration refers to registration with the Department of Higher Education and Training in South Africa.

## II    Government Auditing Experience (GAE)

The general GAE Guidelines and Regulations are based on trainee auditors starting their period of practical training on or after 01 January 2008.

The practical experience requirements for trainee auditor who started their period of practical training before 01 January 2008 are set out in the document: GAE Guidelines and Regulations (GAE G&R).

The prospective RGA must gain his practical experience in the public sector and in a government auditing environment. This specifically defined (public sector) auditing experience is referred to as Government Auditing Experience (GAE). Taking into account the mandate which the Auditor-General South Africa (AGSA) is given by the P*ublic Audit Act*, a large portion of the RGA's Government Auditing Experience has to be certified by the AGSA. The AGSA therefore acts as certification authority with regard to the government auditing experience requirement.

COBOKS requires that a candidate complete at least *four years* of Government Auditing Experience. Of these four years, a minimum of three years' experience has to be gained whilst working for or within the AGSA (or other accredited GAE provider) and whilst registered as a trainee auditor with SAIGA for a minimum period of three years.

The fourth year of practical experience can be gained by working in auditing / accounting-related fields in the wider public sector, including government departments, local authorities, public entities, governmental contract work or internal audit in the public sector. If the fourth year is not served in the AGSA (or other accredited GAE-provider), the trainee auditor has to submit documentary proof of employment and experience in the public sector to the satisfaction of the Institute's Executive Committee (EXCO).

But the GAE requirements go beyond merely serving time with an accredited employer. During the GAE period, the trainee auditor has to meet the requirements of eleven prescribed Experience Bands.

Other entities (for example firms of Registered Auditors) can also be accredited as GAE-providers. If they comply with the relevant criteria, they can apply to the Institute. This provision is aimed at those firms that are acting as "authorised auditors" as defined in Sections 1 and 12 of the *Public Audit Act*. Where the audit staff of these accredited firms is involved in audit work for the AGSA this may classify as Government Auditing Experience and the staff members may consequently comply with the GAE-requirements by being in the employ of such an accredited GAE-provider.

During his period of practical training, SAIGA requires that the trainee *is registered as a SAIGA trainee auditor for the minimum period of three years*. An exception is made where a trainee converts from the practical program of another professional body (e.g. SAICA) – but in such a case, the rules of the "Conversion Policy" apply, as set out in the Government Auditing Experience (GAE) Guidelines and Regulations (GAE G&R).

More details (rules, regulations and other guidelines) regarding Government Auditing Experience including the requirements of the eleven Experience Bands are set out in the GAE Guidelines and Regulations (GAE G&R) document.

## III    The Government Auditing Specialism Programme (GASP)

The Government Auditing Specialism Programme (GASP) is a formal requirement to become a RGA and has been incorporated in the COBOKS for RGAs since 2008. All RGA candidates, also those who meet all the RGA qualification and subject requirements, are compelled to successfully complete GASP before being allowed to write the RGA Qualifying Examination (RGA-QE).

Since GASP was designed in 2008, the competence requirements for RGAs have evolved considerably and the needs of the AGSA, as far as professional staff is concerned, have also changed.

Taking into account the above, an Extended Government Auditing Specialism Programme (E-GASP) was developed. E-GASP came onto effect in 2014. For ease of reference any reference to GASP is meant to refer to the new format (E-GASP).

GASP is presented by SAIGA in pre-determined intervals (a number of multi-day Modules), preceding the RGA-QE. Due to changing circumstances, an evolving government auditing environment and other factors, the structure of GASP may vary slightly from year to year. Details of each year's GASP are published a few months before commencement of the programme.

Prospective RGA-QE candidates can contact the SAIGA Secretariat to enroll for GASP or visit the Institute's website www.saiga.co.za (how to become a RGA).

Before a candidate can enroll for GASP, he has to register with SAIGA as a trainee auditor, or have completed his period of practical training with SAIGA (GAE).

The Government Auditing Specialism Programme forms the core of the RGA competencies development. GASP is designed to address certain shortcomings in the academic programmes of tertiary institutions. Although these academic programmes are currently used to meet the RGA subject requirements (particularly the subjects of Accounting and Auditing), they do not include the public sector topics that form the basis on which the government auditor's competencies are applied, for example:

- The *PFMA*
- The *Treasury Regulations*
- The *MFMA*
- GRAP (for departments and local authorities)
- National Treasury Guidelines (e.g. Guidelines for the preparation of annual reports)
- The *Public Audit Act*
- Performance auditing and the audit of performance information
- The public sector perspectives of the International Auditing Standards
- The Auditor-General's audit manuals
- Forensic auditing
- Ethics for government auditors (e.g. the INTOSAI Code of Ethics).

These specialist public sector topics are now in a mature stage of development and through GASP, RGA-candidates receive the necessary specialist knowledge required to be a competent government auditor.

By following the Government Auditing Specialism Programme candidates receive more intensive exposure to and training in public sector / government auditing specialist topics.

GASP is based on the following educational concepts:

- Attendance of specific training interventions (a number of multi-day Modules)
- Self-Study assignments/extended reading
- Summative assessments/simulated qualifying examinations.

*GASP Modules*

During the period 2008 to 2013 the Government Auditing Experience (GAE) requirements and certain Experience Bands in particular, required trainee auditors to attend a number of compulsory courses presented by the Institute.  The compulsory courses requirement is no longer applicable and the compulsory courses' contents have been incorporated into the Government Auditing Specialism Programme (Extended).

The Government Auditing Specialism Programme consists of a number of Modules. The contents of each module depends on a number of factors (for example recent technical changes, additions to the subject matter, shift of importance, requests from the regulator, practical considerations or other constraints).

The Government Auditing Specialism Programme consists of the following Modules:

- o Statements of GRAP (including case studies and applications).
- o Comparisons between GRAP and GAAP
- o GRAP for local authorities
- o Preparing annual financial statements (national and provincial departments)
- o The government auditor's regulatory framework
- o International auditing standards applied in the AGSA's audit manuals
- o Practical audit application (case studies and the practical application of auditing standards)
- o Information technology- auditing perspectives
- o Performance auditing (including the three E's) and auditing of performance information
- o Forensic auditing
- o Ethics for government auditors
- o Effective writing skills
- o Revision of GRAP
- o Examination techniques.


Self-Study assignments:

Between certain Modules candidates will have to do additional reading and self-study and also prepare and submit a number of assignments based on the course contents of particular Modules. This will be communicated to candidates during the lectures. Not all Modules will require the submission of formal assignments, as Modules of practical application will take preference. The form and contents of the assignments will be communicated to candidates during the programme.

Summative assessments:

The RGA-QE is a three-paper (four-hour each) examination. This is necessary to enable SAIGA to examine candidates on both the generic auditing and accounting topics, as well as the numerous specialist topics that are unique to the government audit process and environment.

The summative assessments which form part of GASP are therefore designed to mirror (simulate) the RGA-QE format and GASP candidates will write the formal assessments in the form of one four-hour and three three-hour assessments. The result of these assessments together with the mark obtained from attending the modules and the self-study assignments (in a ratio to be determined by SAIGA) will determine the candidate's success in the GASP. SAIGA will prepare the GASP summative assessments and also mark the papers. The results of the GASP summative assessments will be made available to candidates by SAIGA shortly after the assessments and successful GASP candidates are allowed to register for the following RGA-QE.

Specific details regarding each year's GASP are contained in a GASP document (Rules and Regulations) to be published a few months before commencement of the programme.


## IV    The Qualifying Examination for RGAs (RGA-QE)

All prospective RGAs have to pass the Qualifying Examination for Registered Government Auditors (RGA-QE) (the required aggregate pass rate is 50%).

Details of this professional examination are also provided in this document. The RGA-QE consists of three four-hour written examinations papers which are set by the Education & Training Committee of the Southern African Institute of Government Auditors and evaluated by the Institute's Examination Board (EB).


Paper 1: The first paper focuses on the regulatory framework for government auditors. The PFMA, MFMA, Treasury Regulations, Public Audit Act, the Constitution, INTOSAI Code of Ethics, current developments in auditing, the King Code of Corporate Governance as applicable to public entities.

Paper 2: The second paper focuses on public sector accounting topics. GRAP for departments and local authorities, preparing annual financial statements for government departments, basic accounting principles.

<u>Paper 3</u>: The third paper focuses on government auditing and related topics. International Accounting Standards (IAS), IAS applied to the AGSA's audit manuals, performance auditing, auditing of performance information, forensic auditing and information technology- auditing perspectives.

The successful completion of the three-year degree / diploma, the required subjects (as specified), and the successful completion of the Government Auditing Specialism Programme (GASP) is a prerequisite for writing the RGA-QE, but the completion of the practical requirement is *not*. This means that candidates can write the RGA-QE during their period of practical training.

## PROCEDURE FOR APPLICATION TO ENROLL FOR THE GOVERNMENT AUDITING SPECIALISM PROGRAMME (GASP)

Candidates who wish to write the Qualifying Examination for Registered Government Auditors (RGA-QE) must successfully complete the Government Auditing Specialism Programme (GASP). Enrollment has to be done according to the rules laid down by the Institute's EXCO. In order to enroll for GASP it is not a requirement that candidates have completed their period of practical training.

Entry forms are available from the Institute's website and all instructions relating to the enrolment process have to be followed.

Although EXCO has the power to decide on what constitutes a complete and valid application, the following would normally be required:

1   Certified copies of the applicant's formal qualifications (degree certificates), clearly showing the applicant's name, and the degree obtained

2   Certified copies of the applicant's subject lists, showing the applicant's name, the subjects passed and the results obtained

3   A fully completed and signed GASP Checklist

4   A fully completed and signed application form to enroll for the GASP

5   A copy of the applicant's ID document.

The Common Body of Knowledge and Skills (COBOKS) for RGAs requires that GASP candidates are registered as trainee auditors for at least the duration of the GASP programme. After a candidate's application has been evaluated positively, the candidate has to register with SAIGA as a trainee auditor. This requirement does not apply to GASP candidates who have already been registered as a RGA trainee auditor whilst working for the AGSA for a minimum period of three years.

It is assumed that a candidate, who enrolls for GASP, wants to qualify as RGA and therefore has to meet SAIGA's Government Auditing Experience (GAE) requirements. A candidate who has, for example, completed his practical training programme under the scheme of another professional body (e.g. SAICA articles), is assumed to now convert to the RGA stream and in terms of SAIGA's conversion policy, such candidate has to be registered for at least one term as a RGA trainee auditor.

After an initial assessment of the application, the candidate will be invoiced for the GASP application fee. The final result of the GASP application will be communicated to the candidate only after the Institute has received proof of payment of the application fee.

## PROCEDURE FOR APPLICATION TO WRITE THE QUALIFYING EXAMINATION FOR REGISTERED GOVERNMENT AUDITORS (RGA-QE)

Successful completion of the Government Auditing Specialism Programme (GASP) is required before a candidate is allowed to write the RGA Qualifying Examination (RGA-QE).

It is not necessary that the candidate has completed his period of practical training (GAE) in order to write the RGA-QE.

Candidates who wish to write the RGA-Qualifying Examination (RGA-QE) must apply in writing to the Institute's Secretariat on the prescribed form and attach the required supporting documentation.

Although EXCO has the power to decide on what constitutes a complete and valid application, the following would normally be required:

1   A fully completed and signed application form to write the RGA-QE
2   A certified copy of the applicant's GASP certificate
3   A certified copy of the result letter of previous RGA-QE written (if applicable)
4   Proof of payment of the examination fees.

## PROTOCOL FOR SUBMITTING THE GAE RECORD (GATE)

After the GATE record of a trainee auditor has been completed and approved for submission (internally), the mentor or other person appointed by the AGSA responsible for the trainee auditor scheme (but not the trainee auditor himself) informs the SAIGA Secretariat per e-mail (secretary@saiga.co.za) of the intention to submit a GATE record for evaluation. The e-mail must contain the full name, ID number and trainee auditor number of the trainee auditor as well as details as to whom the related invoice for the GATE evaluation fees have to be made out and sent to, as well as the address to appear on the invoice.

The SAIGA Secretariat will issue an invoice for the GATE evaluation fees. Once the invoice has been paid, the GATE record can be submitted (note the specifications for the file name), together with the following:

a)     Proof of payment of the evaluation fees (no GATE record will be evaluated unless the GATE record is accompanied by proof of payment)

b)     A letter (on AGSA letter head) from the AGSA's Human Resources Division (addressed to SAIGA), certifying the exact period for which the applicant worked in the AGSA. Starting date to which date (stating that the period was uninterrupted – otherwise more dates have to be given). "This is to certify that (title, full first names and surname), (ID Number), has been employed by the AGSA during the following period: Start date – end date (this period was uninterrupted)."

The GATE record (Excel file) together with a) and b) above has to be submitted by the mentor or other appointed responsible staff member (but not the trainee auditor) per e-mail to secretary@saiga.co.za.

SAIGA will then evaluate the GAE record and may request the submission of certain additional documents, e.g. a Portfolio of Evidence.

After the evaluation is complete, SAIGA will issue a GAE Results Letter which may confirm that the requirements of the eleven Experience Bands are met or advise the trainee of outstanding requirements.

SAIGA reserves the right to charge additional fees if the GAE record submitted is lacking an unreasonable amount of required information or if the outstanding requirements are only met after an unreasonable number of communications. If the trainee auditor has met the requirements of all eleven Experience Bands and also met the requirements of the fourth year, SAIGA will issue a certificate of completion (GAE certificate) to the trainee auditor.

If a trainee has worked a certain period in the AGSA whilst registered under another training scheme (for example SAICA) and wishes to convert to the SAIGA/RGA route, the rules of the "Conversion Policy" as set out in the document: GAE Guidelines and Regulations apply.

## PROCEDURE FOR APPLICATION TO REGISTER AS REGISTERED GOVERNMENT AUDITOR (RGA)

A candidate who wishes to register as Registered Government Auditor (RGA) has to have passed the RGA Qualifying Examination (RGA-QE) and completed his period of practical training (GAE).

A candidate who wishes to apply for registration as Registered Government Auditor must apply in writing to the Institute's Secretariat on the prescribed form and attach the required supporting documentation.

Although EXCO has the power to decide on what constitutes a complete and valid application, the following would normally be required:

1    A fully completed and signed application form to register as RGA
2    A signed declaration to adhere to the Code of Ethics of Public Auditors (INTOSAI) – this may be part of the application form
3    A certified copy of the Professional Examination Certificate (issued by SAIGA to successful RGA-QE candidates)
4    A certified copy of the candidate's GAE certificate (confirming completion of the period of practical training)
5    A copy of the applicant's ID document.

The Institute will evaluate the application and if the candidate meets the set requirements, an invoice will be issued for the once-off joining fee and the annual membership fees.

It is the applicant's responsibility to pay the invoice and send a proof of payment to the Institute's Secretariat.

Once the SAIGA Secretariat has received proof of payment, the applicant will be registered as RGA and a certificate will be issued to certify membership. Only after the RGA certificate has been issued does the applicant enjoy the membership benefits and is entitled to the designation Registered Government Auditor (RGA).

# PART TWO

## THE SEVEN COMPONENTS PROFILING THE COMMON BODY OF KNOWLEDGE AND SKILLS FOR REGISTERED GOVERNMENT AUDITORS

I    GENERAL KNOWLEDGE AND SKILLS

II    THE DETAILED SPECIALISED CURRICULUM

III    GOVERNMENT AUDITING EXPERIENCE

IV    THE GOVERNMENT AUDITING SPECIALISM PROGRAMME

V    THE QUALIFYING EXAMINATION FOR RGAS

VI    CERTIFICATION AS RGA

VII    CONTINUING PROFESSIONAL DEVELOPMENT

**RGA**

CPD CPD CPD CPD CPD CPD

Skills &
Knowledge
through GASP
training period
in government
auditing (GAE)

Knowledge
& Skills
examined
through
Qualifying
Examination

Formal Education

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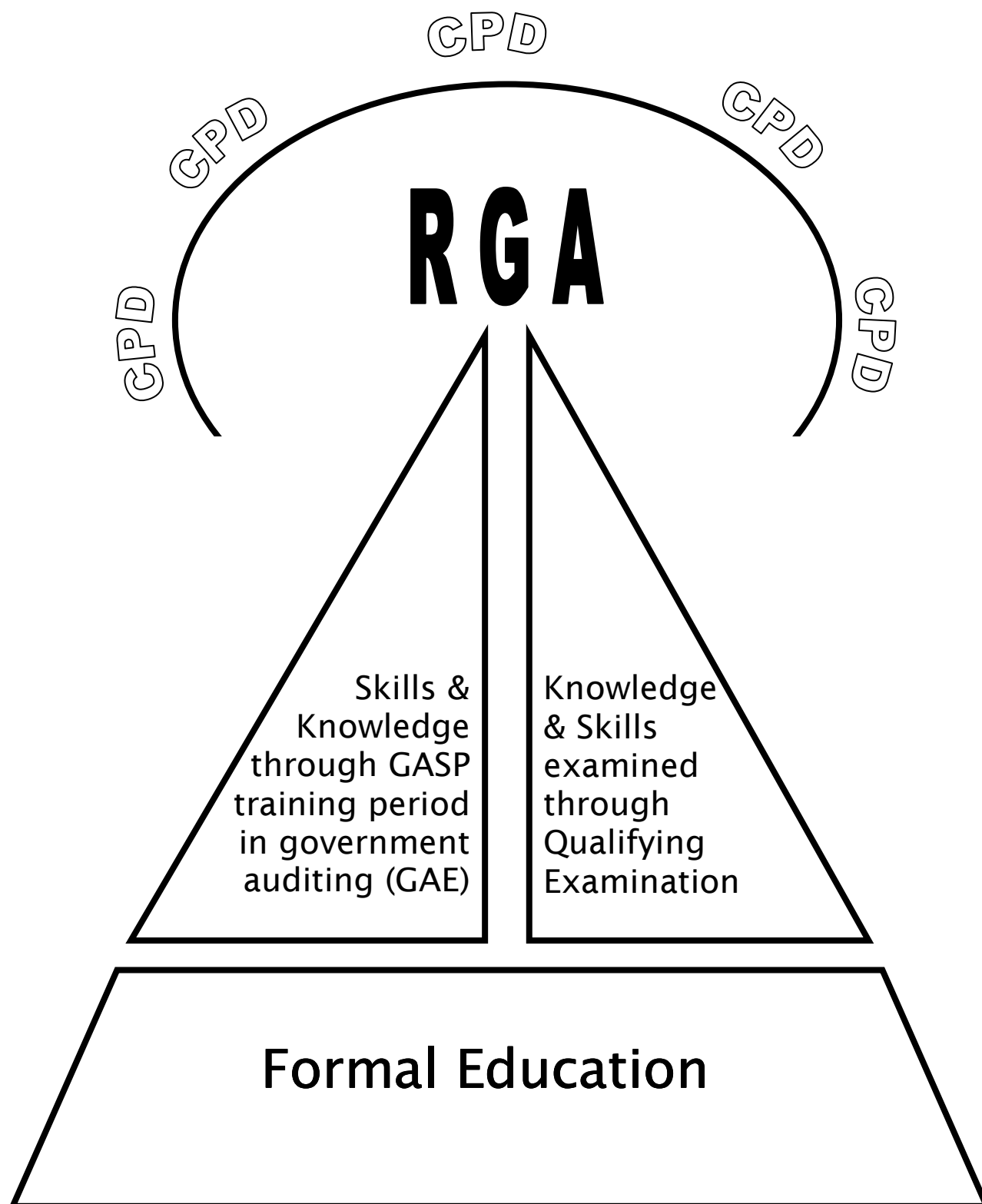
## I     GENERAL KNOWLEDGE AND SKILLS

The South African Qualifications Authority identifies these as critical / cross-field outcomes.

The Southern African Institute of Government Auditors recognised that the general knowledge and skills are acquired through various educational processes which include:

- formal and informal education
- working experience
- self-study and learning.

IFAC's International Accounting Education Standards Board (IAESB) states: "The goal of accounting education and practical experience is to produce competent professional accountants capable of making a positive contribution over their lifetimes to the profession and society in which they work. In the face of the increasing changes that accountants meet, it is essential that accountants develop and maintain an attitude of learning to learn, to maintain professional competence."

"The education and practical experience of professional accountants should provide a foundation of professional knowledge, professional skills, and professional values, ethics and attitudes that enables them to continue to learn and adapt to change throughout their professional lives."

Achieving this goal requires grounding in the skills, knowledge (both general and technical) and professional values essential to professional competence of Registered Government Auditors. The skills which RGAs must attain through education and experience are formulated in this document. The knowledge that individuals must acquire prior to registration consists of general knowledge and professional knowledge. The assessment of professional competence is done through a Qualifying Examination.

It is not sufficient for aspiring professional accountants to possess only theoretical knowledge. Registered Government Auditors must also have theoretical knowledge applicable to practical, real-life situations, by obtaining, analysing, interpreting, synthesising, evaluating and communicating information. These skills are best acquired during a period of general education prior to professional education. However, it should also be recognised that some elements of knowledge and skills are often acquired concurrently during the period of general and professional education and while obtaining practical experience. Examples of such skills are interpersonal, communication and problem-solving skills.

The skills (both general skills and skills specific to accounting) that IFAC believes professional accountants must obtain are:

- intellectual skills
- technical and functional skills
- personal skills
- interpersonal and communication skills
- organisational and business management skills.

The South African Qualifications Authority also identifies critical outcomes (skills) which inform all teaching and learning. The *combined*, critical outcomes pool for Registered Government Auditors is described below.

## CRITICAL OUTCOMES

*Based on the IFAC model and incorporating competencies of the AGSA model*

*Intellectual and personal skills*:

- self-appraisal, -evaluation, -motivation and self-management by organising and managing oneself and one's activities responsibly and effectively
- the capacity for inquiry, research, abstract logical thinking, inductive and deductive reasoning, and critical analysis
- locating, collecting, analysing, organising and critically evaluating information
- the ability to select and assign priorities within restricted resources and to organise work to meet tight deadlines
- showing responsibility towards the environment and community
- the ability to anticipate and adapt to change
- demonstrating an understanding of the world as a set of related systems by recognising that problem-solving contexts do not exist in isolation
- exercising professional skepticism
- contributing to the development of oneself and the social and economic development of the society at large, by:
  - reflecting on and exploring a variety of strategies to learn more effectively
  - participating as responsible citizens in the life of local, national and global communities
  - being culturally and aesthetically sensitive across a range of social contexts
  - continuously exploring educational and career opportunities
- developing entrepreneurial opportunities.

*Technical and functional skills*:

- using science and technology efficiently and effectively
- apply mathematical and statistical techniques
- interpreting and applying legislation and regulations relevant to the environment
- apply decision making techniques, risk analysis, financial management techniques and reporting frameworks
- to have a high level of IT proficiency:
    - by being able to operate at least two types of data processing systems (these would normally be a stand-alone micro computer system and a multi-user local network system)
    - by being able to use electronic mail
    - by being able to use a word processing program, an accounting spreadsheet program, a database package; and at least one accounting (bookkeeping)
    - by being able to access and retrieve information from an on-line database such as the worldwide web
    - by being able to operate mobile electronic devices to improve communication and efficiency.

*Interpersonal and communications skills*:

- take leadership find solutions and negotiate positions and reach agreements in professional situations
- interact with culturally and intellectually diverse people and work effectively in a cross-cultural and diverse language setting
- develop and maintain positive, professional relationships with internal and external stakeholders
- communicating effectively using visual, mathematical and language skills in the form of oral and written persuasion
- the ability to present, discuss and defend views effectively through formal and informal, written and spoken language
- the ability to coach and mentor subordinates in order to increase their overall performance
- the ability to provide opportunities to colleagues for self-improvement
- the ability to listen and read effectively, including a sensitivity to cultural and language differences
- the ability to locate, obtain, organise, report and use information from human, printed and electronic sources.

*Organizational and management skills*:

- the ability to apply principles of strategic planning, project management and internal business processes (for example: planning, estimating, scheduling, tracking, controlling, measuring)
- managing people and resources in a professional context

- plan, organise, delegate, motivate and lead
- the ability to identify and solve unstructured problems in unfamiliar settings and to apply problem-solving skills which display that responsible decisions, using critical and creative thinking have been made and good judgment exercised
- the ability to manage, align, monitor and report on the performance of designated business units
- working effectively with others as a member of a team, group, organisation and professional body, to organise and delegate tasks, to motivate, and develop people, to provide guidance and direction, to withstand and resolve conflicts, and, at appropriate times, to lead others.

## II  THE DETAILED SPECIALISED CURRICULUM

Explanation of cognitive levels and designated key words
relating to different levels:

| THOUGHT PROCESS<br>from low to high | DESCRIPTION OF COGNITIVE SKILLS REQUIRED | WHAT WILL BE REQUIRED OF CANDIDATES |
|---|---|---|
| Knowledge | Memorize | Name, arrange, show, repeat, list, describe, identify, define. |
| Understanding | Insight, understanding | Illustrate, explain, interpret, understand, deduce, elucidate, summarize. |
| Application | Apply existing knowledge to | Determine, compile, organize, show. |
| Analyze | Be able to analyze and differentiate | Analyze, contrast, compare, investigate, differentiate. |
| Compile | Synthesize discrete components into a cohesive whole | Plan, develop, create, formulate, compose, and relate to. |
| Evaluate | Be able to make comparisons based on various criteria | Take up a point of view, judge, criticize, evaluate, consider, appraise, conceptualise, and deliver a motivated opinion. |

## OVERALL LEARNING OUTCOMES FOR REGISTERED GOVERNMENT AUDITORS

The purpose of the RGA designation/qualification is to provide learners with specialised knowledge, skills and applied competence in the field of government auditing, control and information systems that will provide opportunities for continued intellectual and professional growth, to gain full economic activity and rewarding contributions to society.

Registered Government Auditors should be able to apply the relevant and current statutory and regulatory requirements as contained in various Acts, Regulations, professional pronouncements and standards within the context and framework of the Postulates in Auditing, the generic audit process and evaluate the adherence to and applicability of these regulations in a given practical situation encountered while conducting an audit in a public sector environment in South Africa.

Given the diverse mandate of the Auditor-General South Africa to audit entities that are subject to Generally Recognised Accounting Practices (GRAP), the accounting knowledge and skills of RGAs must be developed to enable RGAs to function effectively in these environments.

A further purpose of the qualification is to provide a process which will assist in providing South Africa with significant numbers of Registered Government Auditors which may serve the country's public sector in general.

## 1. Fundamental principles of auditing theory & accountability and current audit developments

*SPECIFIC OUTCOMES*

Candidates must be able to discuss various concepts and relationships pertaining to auditing and accountability:

- accountability frameworks
- the modern need for accountability
- the notions of exit and voice as related to accountability
- the audit function as an integral part of the accountability framework
- historical development of the audit function in both private and public sector
- the private sector audit function *versus* the public sector audit function
- the parallel structures and accountability arrangements in both sectors
- structural differences between the private and public auditing sectors
- the structure of the audit profession through various international and national bodies
- postulates and principles of auditing theory and practice
- audit-standard setting
- standards versus statutory requirements
- the role and position of the government auditor
- public expectations of the auditor in both the private and the public sector
- the phenomenon of the audit expectation gap
- auditors' social responsibilities
- the characteristics of a profession
- the latest King Code of Corporate Governance as applicable to public entities
- the ethical base of auditing
- the audit process.

Candidates must be able to:

- explain and discuss current audit developments
- explain and discuss the latest developments in the field of corporate governance
- identify major issues of institutional and scholarly research.

Candidates must have a good understanding of the government environment, including such aspects as the role of the legislatures, the legal and institutional arrangements governing the operations of the executive and the charters of public entities.

## 2. Acts and Regulations applicable in the audit of government institutions

2.1   Constitution of the Republic of South Africa - 1996

2.2   Public Audit Act (No 25 of 2004)

2.3   The Public Finance Management Act (No 1 of 1999)

2.4   Treasury Regulations (latest edition)

2.5   Municipal Finance Management Act (No 56 of 2003).

(Plus amendments to the above Acts/ Regulations)

## Constitution of the Republic of South Africa - 1996
(Point 2.1)

### SPECIFIC OUTCOMES

Candidates must be able to:

- identify and explain the reference to auditing in the Constitution of the Republic of South Africa and evaluate the requirements in the following context:

  - constitutional auditor independence
  - appointment of the AGSA
  - the public audit mandate

- understand the Constitutional requirements relating to the financial management of the three spheres of government and in particular:

  - the notion of transparency and accountability
  - the role of treasuries
  - revenue funds
  - national, provincial and municipal budgets
  - procurement
  - reporting.

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**Public Audit Act (No 25 of 2004)**
(Point 2.2)


*SPECIFIC OUTCOMES*

Candidates must be able to:

- describe the Constitutional and legal status of the AGSA
- summarize the Constitutional functions of the AGSA
- understand and evaluate the accountability arrangements providing for the conditions of service and additional functions of the AGSA
- understand the appointment of the AGSA, the conditions of employment and the expiry of the term of office
- critically discuss the accountability and reporting responsibilities to the National Assembly

- evaluate the public audit function in South Africa within the following contexts:

  - The Constitution
  - The National Assembly
  - the three tiers of government in South Africa
  - the national and provincial Treasuries

- critically evaluate the AGSA's powers to engage other parties to assist with the performance of an audit and consider the resultant influence (on one another) and interdependency of the public and private audit sectors in South Africa

- discuss the AGSA's authority to determine and chose applicable auditing standards as well as procedures for the handling of complaints when performing audits

- contrast the general auditing powers conferred onto the AGSA as well as specific powers such as entering properties, conducting searches, etc.

- discuss the notion of confidentiality of audited data

- conceptualise the various reporting responsibilities of the AGSA

- evaluate the concept of audit fees and the  AGSA's powers to determine the basis for the calculation such audit fees

- explain the arrangements where the AGSA has decided to delegate the audit function to auditors in private practice including the resultant duties and powers of such private sector auditors

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- identify the AGSA's powers to conduct investigations and special audits

- formulate the administrative arrangements of the AGSA, including its management structure, human resource management and financial administration

- explain the AGSA's reporting responsibilities, accountability arrangements, including the audit committee, annual report and annual financial statements, delegation of powers and duties, limitation of liabilities and other relevant concepts

- apply the provisions of the Act to the government audit process

- evaluate the applicability of the public interest notion to the government audit process in particular circumstances.

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### The Public Finance Management Act (No 1 of 1999)
(Point 2.3)


*SPECIFIC OUTCOMES*

Candidates must be able to:

- understand the applicability of the Public Finance Management Act in the audit of government and government related entities
- discuss the intentions of the legislature
- explain the management philosophies and strategies established through the Public Finance Management Act
- evaluate the effects of the Public Finance Management Act on the public audit function
- understand the following concepts as described in the Act and incorporate them appropriately into the audit process:

  - the various Treasuries
  - the various Revenue Funds
  - form and content of the budgets
  - the medium term expenditure framework
  - the adjustment budgets
  - unauthorised expenditure
  - irregular expenditure
  - fruitless and wasteful expenditure
  - accountability arrangements at Public Entities
  - responsibilities of the executive authorities
  - loan guarantees and other commitments
  - norms and standards
  - financial misconduct
  - accounting standards
  - the Accounting Standards Board

- to evaluate compliance of Accounting Officers' and Accounting Authorities' responsibilities as set out in the Public Finance Management Act and to formulate an opinion on the adherence thereto:

  - general responsibilities
  - responsibilities relating to budgetary control
  - reporting responsibilities
  - information to be submitted
  - responsibilities when assets and liabilities are transferred
  - virement between main divisions within votes

- perform an audit by taking into account relevant provisions of the Public Finance Management Act.

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## Treasury Regulations
(Point 2.4)


*SPECIFIC OUTCOMES*

Candidates must be able to:

- apply the Treasury Regulations in the following context

    - the Public Finance Management Act
    - the audit related Acts and Regulations
    - the financial management functions in the public sector


- evaluate the following concepts in relation to the audit function, compliance and applicability in specific practical situations:

    - corporate management
    - internal control
    - financial misconduct
    - investigation and reporting of financial misconduct
    - criminal proceedings in respect of financial misconduct
    - planning and budgeting
    - strategic plans
    - annual budget circulars
    - formats for estimates of expenditure
    - virement and rollovers
    - transfer of functions
    - adjustment budgets
    - revenue management
    - expenditure management
    - asset and debtor management
    - management of losses and claims
    - loans, guarantees and other commitments
    - money and property held in trust
    - banking, cash management and investment frameworks
    - public-private partnerships
    - accounting and reporting requirements
    - monthly and annual reports
    - trading entities
    - commissions and committees of inquiry
    - gifts, donations and sponsorships
    - payments, refunds and remissions as an act of grace


- perform an audit by taking into account provisions of the Treasury Regulations.

## The Municipal Finance Management Act (No 56 of 2003)
(Point 2.5)


*SPECIFIC OUTCOMES*

Candidates must be able to:

- understand the applicability of the Municipal Finance Management Act in the audit of local government and related entities
- discuss the intentions of the legislature
- explain the management philosophies and strategies established through the Municipal Finance Management Act
- evaluate the effects of the Municipal Finance Management Act on the public audit function
- understand the following concepts as described in the Act and incorporate them appropriately into the audit process:

  - the supervisory role of National Treasury over local government
  - management of municipal revenue
  - municipal budgets
  - supply chain management
  - public-private partnerships
  - unauthorised expenditure
  - irregular expenditure
  - fruitless and wasteful expenditure
  - accountability arrangements at local authorities
  - financial and reporting responsibilities
  - the resolution of financial problems and related concepts
  - financial misconduct
  - treasury norms and standards

- to evaluate the responsibilities of mayors
- to evaluate compliance of Municipal Officers' and Accounting Officers' (of municipal entities) responsibilities as set out in the Municipal Finance Management Act and to formulate an opinion on the adherence thereto:

  - general responsibilities
  - financial management responsibilities
  - reporting responsibilities
  - financial administration responsibilities

- perform an audit by taking into account relevant provisions of the Municipal Finance Management Act.

## 3. Accounting standards applicable to entities audited by the Auditor-General

Application of accounting standards comprising South African Generally Recognised Accounting Practices (GRAP) as published by the Accounting Standards Board of South Africa (ASB) for national, provincial departments, their trading entities, public entities and the accounting framework for local authorities.

*GRAP published by the South African Accounting Standards Board*

GRAP is constantly being developed. As part of this development process, GRAP statements are being implemented in phases and certain interim arrangements are put in place pending full implementation (examples thereof are the Guides for the Preparation of Annual Reports, as issued by National Treasury).

Taking into account the wide and diverse nature of public sector departments, public entities and their associated entities, COBOKS requires RGAs to master the application of public sector applicable accounting standards (as opposed to those specifically applicable to private sector companies). This requirements takes into account that the COBOKS for RGAs requires prospective RGAs to pass three full years of Financial Accounting at a South African tertiary institution. Currently these academic programmes focus almost without exception on private sector accounting standards (GAAP and IFRS) – subsequently also equipping the RGA with accounting standards applicable to private sector companies).

*SPECIFIC OUTCOMES*

Candidates must be aware of the latest developments in public sector accounting standard setting and development, and in particular:

* the International Public Sector Accounting Standards (IPSASs) published by the International Public Sector Accounting Standards Board (IPSASB)
* the process by the South African Accounting Standards Board to convert the IPSASs into South Africa statements of Generally Recognised Accounting Practices (GRAP)
* the implementation of SA-GRAP in South Africa at the various levels of government and other public sector institutions.

Candidates must be able to:

- account for and prepare disclosures for all aspects that relate to statements of GRAP
- apply statements of GRAP in practical accounting situations to enable the selection, measurement, classification and accounting of accounting data
- apply statements of GRAP by preparing the various financial statements in accordance with the objectives of financial reporting, GRAP and applicable statutory and regulatory requirements
- analyse and interpret various forms of financial statements by utilising techniques of financial analysis, including specifically segment reporting, cash flow and ratio analysis
- apply statements of GRAP by preparing group financial statements

- evaluate in a GRAP framework the correctness, applicability, relevance, validity and completeness of:

  - accounting entries
  - presentations
  - events
  - accounting estimates
  - provisions
  - measurements
  - accounting policies
  - statements
  - disclosures

- identify differences between private sector Generally Accepted Accounting Practice (GAAP) and public sector Generally Recognised Accounting Practice (GRAP) standards

- apply the practices and standards required by relevant and current interim arrangements that are put in place pending full implementation of GRAP in the public sector.

## 4. The Code of Ethics for Auditors in the Public Sector

*SPECIFIC OUTCOMES*

Candidates must be able to:

- use the Code of Ethics of the International Organisation of Supreme Auditing Institutions (INTOSAI) as a basis for the value and attitude framework applicable during the government auditing process

- apply, in practical situations, the statements of the values and principles which should guide the daily work of auditors

- define ethics, business ethics and ethical values and dilemmas

- discuss ethics and the law, personal and organisational ethics, professional ethics and virtues

- resolve dilemmas relating to the requirements of independence, confidentiality, and political neutrality, conflict of interests and professional secrecy

- identify and discuss auditor decision making by incorporating the INTOSAI Code of Ethics' principles and values

- be able to engage in ethics dialogue and apply ethics vocabulary

- discuss the  process of ethical decision-making and apply this to working in an audit environment

- understand the continuing professional development requirements and be able to evaluate, on an on-going basis the candidate's own continuing professional development status

- exercise their continuous obligation to update and improve the skills required for the discharge of their professional responsibilities

- be aware of the disciplinary processes of the Southern African Institute of Government Auditors as applicable to Registered Government Auditors.

5. **The theory and application of the INTOSAI auditing standards in the audit process (manual and computerised systems)**

*SPECIFIC OUTCOMES*

Candidates must be able to:

- perform an audit by applying the auditing standards and auditing guidelines in the audit process through evaluation of systems, decisions regarding the appropriate audit approach, formulation of audit procedures, evaluation of audit evidence, concluding, formulation of an audit opinion and reporting

- analyse and evaluate on an *ad-hoc* basis practical audit situations with reference to the adherence of auditing standards and professional pronouncements (such as auditing guidelines).

The above outcomes have to be achieved in respect of all four auditing standards and their various substandards.

- Basic Principles in Government Auditing

- General Standards in Government Auditing

- Field Standards in Government Auditing

- Reporting Standards in Government Auditing.

Basic Principles in Government Auditing

INTOSAI has developed these standards to provide a framework for the establishment of procedures and practices to be followed in the conduct of audits including audits of computer-based systems.

Auditing standards should be consistent with the principles of auditing. They also provide minimum guidance for the auditor that helps determine the extent of auditing steps and procedures that should be applied in the audit. Auditing standards constitute the criteria or yardstick against which the quality of the audit results are evaluated.

The basic principles for auditing standards are basic assumptions, consistent premises, logical principles and requirements, which help developing auditing standards and serve the auditors in forming their opinion and reports, particularly in cases where no specific standards apply.

Candidates must be able to evaluate the *Basic Principles in Government Auditing* in the following context:

+ auditing standards
+ reporting requirements
+ accounting standards
+ materiality
+ professional judgement
+ non-audit work (other services)
+ legal work
+ audit evidence
+ public accountability
+ standard-setting practices and philosophies
+ constitutional provisions
+ the role of the SAI
+ characteristics of audit
+ regulatory audit
+ performance audit
+ auditor independence.

General Standards in Government Auditing

The general auditing standards are that the SAI should adopt policies and procedures to:

(a) Recruit personnel with suitable qualifications

(b) Develop and train SAI employees to enable them to perform their tasks effectively, and to define the basis for the advancement of auditors and other staff

(c) Prepare manuals and other written guidance and instructions concerning the conduct of audits

(d) Support the skills and experience available within the SAI and identify the skills which are absent; provide a good distribution of skills to auditing tasks and assign a sufficient number of persons for the audit; and have proper planning and supervision to achieve its goals at the required level of due care and concern

(e) Review the efficiency and effectiveness of the SAI's internal standards and procedures.

Candidates must be able to apply this general standard in government auditing so that they may carry out the tasks related to field and reporting standards in a competent and effective manner.

Field Standards in Government Auditing

These field standards are applicable to all types of audit and refer to:

1     Planning
2     Supervision and Review
3     Study and Evaluation of Internal Control
4     Compliance with applicable Laws and Regulations
5     Audit Evidence
6     Analyses of Financial Statements.

The field standards establish the framework for conducting and managing audit work. They are related to the general auditing standards, which set out the basic requirements for undertaking the tasks covered by the field standards.

The field standards are also related to the reporting standards, which cover the communication aspect of auditing, as the results from carrying out the field standards constitute the main source for the contents of the opinion or report.

Candidates must be able to apply the field standards in government auditing so that they are able to conduct an audit in a purposeful and, systematic manner, following balanced steps or actions to achieve a specific result or outcome.

Reporting Standards in Government Auditing

The reporting standard is to assist but not supersede the prudent judgement of the auditor in making an opinion or report.

The reporting standards are:

(a) At the end of each audit the auditor should prepare a written report or opinion, as appropriate, setting out the findings in an appropriate form. Its content should by easy to understand and free from vagueness or ambiguity. The report or opinion should include only information that is supported by competent and relevant audit evidence and it should be independent, objective, fair and constructive

(b) It is for the SAI to decide finally on the action to be taken in relation to fraudulent practices or serious irregularities discovered by the auditors.

The expression "reporting" embraces both the auditor's opinion and other remarks on a set of financial statements as a result of a regularity (financial) audit and the auditor's report on completion of a performance audit.

The auditor's opinion on a set of financial statements is generally in a concise, standardised format, which reflects the results of a wide range of tests and other audit work. There is often a requirement to report as to the compliance of transactions with laws and regulations and to report on matters such as inadequate systems of control, illegal acts and fraud.

Candidates must be able to *prepare a report* (for both the regulatory and performance audit) or to *analyse* and *evaluate* an existing report.

Candidates must be able to *decide on actions regarding fraudulent practices* and *formulate an appropriate opinion* by taking into account:

  *  uncertainties
  *  limitations on the scope of the audit
  *  legal framework
  *  materiality
  *  acceptable accounting bases and policies
  *  statutory requirements
  *  relevant regulations
  *  consistency
  *  adequate disclosure
  *  incomplete or misleading statements
  *  disagreements.

  With regard to performance reports, candidates must be able to formulate and evaluate audit reports in the following context:

  *  criticism
  *  interpretation
  *  effectiveness, efficiency and economy
  *  descriptiveness
  *  constructiveness
  *  recommendations
  *  materiality.

## Auditing Guidelines

Candidates must be able to apply the General Auditing Guidelines during the performance of an audit or in certain *ad-hoc* practical audit situations.

6. **The application of the South African Auditing Standards issued by the Committee for Auditing Standards (CFAS) of the Independent Regulatory Board for Auditors of South Africa (IRBA).**

*SPECIFIC OUTCOMES*

Candidates must be able to:

- supplement, where applicable and required by the AGSA, the INTOSAI auditing standards with South African Auditing Standards (SAAS) issued by the Committee for Auditing Standards (CFAS) of the IRBA

- differentiate between auditing standards of INTOSAI and IRBA

- apply INTOSAI auditing standards and South African Auditing Standards in the context of the AGSA's audit manuals

- evaluate the adherence of the AGSA's audit manuals to the various sets of auditing standards

- conduct an audit in a government auditing environment based on the prescripts and guidance contained in the AGSA's audit manuals

- discuss, analyse, compare and evaluate the various Statements of South African Auditing Standards and apply these concepts contained therein to the audit process and the principles, postulates and practices of auditing

- perform an audit by applying the South African Auditing Standards in the audit process through:

  - evaluation of systems
  - decisions regarding the appropriate audit approach
  - formulation of audit procedures
  - evaluation of audit evidence
  - concluding
  - formulation of an audit opinion and
  - reporting

- analyse and evaluate on an *ad-hoc* basis practical audit situations with reference to the adherence of South African Auditing Standards and related professional pronouncements.

## III    GOVERNMENT AUDITING EXPERIENCE (GAE)

The Registered Government Auditor has to gain relevant practical experience (government auditing experience) before having a substantial involvement in an audit assignment. This audit experience, according to international standards has to be gained under the guidance of a suitably qualified and experienced government auditor and the experience needs to be of sufficient depth and duration to enable Registered Government Auditors to demonstrate that they have the necessary capabilities and competencies prescribed in this document.

This approach is in line with the thinking of the International Federation of Accountants as reflected in their publication *Competence Requirements for Audit Professionals* (IES 8). The Education Committee of IFAC recognises the so-called *Audit Professional*. This term describes those who have a substantial role in the audit assignment and whose judgments are relied on in arriving the overall audit opinion.

*Responsibilities of the Supreme Audit Institution: the AGSA*

INTOSAI has formulated specific responsibilities which the Supreme Audit Institution has to discharge in respect of practical experience provided to the audit staff.

The Supreme Audit Institution in South Africa is the AGSA.

Due to the affinity between the initial practical experience and experience acquired through continuing professional development, the INTOSAI requirements for practical experience *versus* continuing professional development are closely related.

Relevant INTOSAI Standards for the Supreme Audit Institution (SAI) are listed below.

### PRACTICAL EXPERIENCE STANDARDS

The general auditing standards describe the qualifications of the auditor and/or the auditing institution so that they may carry out the tasks related to field and reporting standards in a competent and effective manner.

The general auditing standards are that the SAI should adopt policies and procedures to:

❍    Recruit personnel with suitable qualifications

❍    Develop and train SAI employees to enable them to perform their tasks effectively, and to define the basis for the advancement of auditors and other staff

❍    Prepare manuals and other written guidance and instructions concerning the conduct of audits

❍    Support the skills and experience available within the SAI and identify the skills which are absent; provide a good distribution of skills to auditing tasks and assign a sufficient number of persons for the audit; and have proper planning and supervision to achieve its goals at the required level of due care and concern

❍    Review the efficiency and effectiveness of the SAI's internal standards and procedures.

The general standards for SAIs include:

❍    The SAI should adopt policies and procedures to recruit personnel with suitable qualifications.

The following paragraph explains recruitment as an auditing standard.

❍    SAI personnel should possess suitable academic qualifications and be equipped with appropriate training and experience. The SAI should establish, and regularly review, minimum educational requirements for the appointment of auditors.

The general standards for SAIs include:

❍    The SAI should adopt policies and procedures to develop and train SAI employees to enable them to perform their task effectively and to define the basis for the advancement of auditors and other staff.

The following paragraphs explain training and development as an auditing standard.

❍    The SAI should take adequate steps to provide for continuing professional development of its personnel, including, as appropriate, provision of in-house training and encouragement of attendance at external courses

❍    The SAI should maintain an inventory of skills of personnel to assist in the planning of audits as well as to identify professional development needs

❍    The SAI should establish and regularly review criteria, including educational requirements, for the advancement of auditors and other staff of the SAI

❍     The SAI should also establish and maintain policies and procedures for the professional development of audit staff regarding the audit techniques and methodologies applicable to the range of audits it undertakes

❍     SAI personnel should have a good understanding of the government environment, including such aspects as the role of the legislature, the legal and institutional arrangements governing the operations of the executive and the charters of public enterprises. Likewise, trained audit staff must possess an adequate knowledge of the SAI's auditing standards, policies, procedures and practices

❍     Audit of financial systems, accounting records and financial statements requires training in accounting and related disciplines as well as knowledge of applicable legislation and executive orders affecting the accountability of the audited entity. Further, the conduct of performance audits may require, in addition to the above, training in such areas as administration, management, economics and the social sciences

❍     **The SAI should encourage its personnel to become members of a professional body relevant to their work and to participate in that body's activities.** (SAIGA's accentuation).

The general standards for SAIs include:

❍     The SAI should adopt policies and procedures to prepare manuals and other written guidance and instructions concerning the conduct of audits.

The following paragraph explains written guidance as an auditing standard.

❍     Communication to staff of the SAI by means of circulars containing guidance, and the maintenance of an up-to-date audit manual setting out the SAI's policies, standards and practices, is important in maintaining the quality of audits.

The general standards for SAIs include:

❍     The SAI should adopt policies and procedures to support the skills and experience available within the SAI and identify those skills which are absent; provide a good distribution of skills to auditing tasks and a sufficient number of persons for the audit; and have proper planning and supervision to achieve its goals at the required level of due care and concern.

The following paragraphs explain the use of skills as an auditing standard.

○ Resources required to undertake each audit need to be assessed so that suitably skilled staff may be assigned to the work and a control placed on staff resources to be applied to the audit

○ The extent to which academic attainments should be related specifically to the audit task varies with the type of auditing undertaken. It is not necessary that each auditor possesses competence in all aspects of the audit mandate. However, policies and procedures governing the assignment of personnel to audit tasks should aim at deploying personnel who have the auditing skills required by the nature of the audit task so that the team involved on a particular audit collectively possesses the necessary skills and expertise

○ It should be open to the SAI to acquire specialised skills from external sources if the successful carrying out of an audit so requires in order that the audit findings, conclusions and recommendations are perceptive and soundly based and reflect an adequate understanding of the subject area of the audit. It is for the SAI to judge, in its particular circumstances, to what extent its requirements are best met by in-house expertise as against employment of outside experts

○ Policies and procedures governing supervision of audits are important factors in the performance of the SAI's role at an appropriate level of competence. The SAI should ensure that audits are planned and supervised by auditors who are competent, knowledgeable in the SAI's standards and methodologies, and equipped with an understanding of the specialities and peculiarities of the environment

○ Where the SAI's mandate includes the audit of financial statements which cover the executive branch of government as a whole, the audit teams deployed should be equipped to undertake a co-ordinated evaluation of departmental accounting systems, as well as of central agency co-ordination arrangements and control mechanisms. Teams will require knowledge of the relevant governmental accounting and control systems, and an adequate expertise in the auditing techniques applied by the SAI to this type of audit

○ Unless the SAI is equipped to undertake, within a reasonable time-scale, all relevant audits, including performance audits covering the whole of every audited entity's operations, criteria are needed for determining the range of audit activities which, within the audit period or cycle, will give the maximum practicable assurance regarding performance of public accountability obligations by each audited entity

○ In determining the allocation of its resources among different audit activities, the SAI must give priority to any audit tasks which must, by law, be completed within a specified time frame. Careful attention must be

given to strategic planning so as to identify an appropriate order of priority for discretionary audits to be undertaken

❍    Assignment of priorities compatible with maintaining the quality of performance across the mandate involves exercise of the SAI's judgement in the light of available information. Maintenance of a portfolio of data pertaining to the structure, functions and operations of audited entities will assist the SAI in identifying areas of materiality and vulnerability and areas holding potential for improvements in administration

❍    Before each audit is undertaken proper authorisation for its commencement should be given by designated personnel within the SAI. This authorisation should include a clear statement of the objectives of the audit, its scope and focus, resources to be applied to the audit in terms of skills and quantum, arrangements for reviews of progress at appropriate points, and the dates by which fieldwork is to be completed and a report on the audit is to be provided.

## Competence

The general standards for the auditor and the SAI include:

❍    The auditor and the SAI must possess the required competence.

The following paragraphs explain competence as an auditing standard.

❍    The mandate of a SAI generally imposes a duty of forming and reporting audit opinions, conclusions and recommendations. In some SAIs this duty may be imposed on the head of the organisation. In SAIs organised on a collegiate basis the duty is usually placed on the institution itself

❍    Discussion within the SAI promotes the objectivity and authority of opinions and decisions. Where a SAI is structured in collegiate form, the final opinions and decisions represent the view of the organisation as a whole, even if the action is taken or exercised in bodies differentiated by their composition but not their power--for example, a Chamber, Joint Chamber or section of a Chamber. If the SAI has a single head all opinions and decisions are taken by that head or in his name

❍    Since the duties and responsibilities thus borne by the SAI are crucial to the concept of public accountability, the SAI must apply to its audits, methodologies and practices of the highest quality. It is incumbent upon it to formulate procedures to secure effective exercise of its responsibilities for audit reports, unimpaired by less than full adherence by personnel or external experts to its standards, planning procedures, methodologies and supervision

❍    The SAI needs to command the range of skills and experience necessary for effective discharge of the audit mandate. Whatever the nature of the audits to be undertaken under that mandate, the audit work should be carried out by persons whose education and experience is commensurate with the nature, scope and complexities of the audit task. The SAI should equip itself with the full range of up-to-date audit methodologies, including systems-based techniques, analytical review methods, statistical sampling, and audit of automated information systems

❍    The wider and more discretionary in nature the SAI's mandate, the more complex becomes the task of ensuring quality of performance across the whole mandate. Thus a mandate which leaves the SAI discretion in the frequency of audits to be carried out and the nature of reports to be provided, demands a high standard of management within the SAI.

*Responsibilities of Registered Government Auditors:*

**The practical government auditing experience (GAE) requirements of RGAs are set out in the first part of this document and detail requirements are published in a separate GAE document.**

## IV    THE GOVERNMENT AUDITING SPECIALISM PROGRAMME

The Government Auditing Specialism Programme (GASP) is a formal requirement to become a RGA and is incorporated in the COBOKS for RGAs since 2008. All RGA candidates, also those who meet all the RGA qualification and subject requirements, are compelled to successfully complete GASP before being allowed to write the RGA Qualifying Examination (RGA-QE).

Since GASP was designed in 2008, the competence requirements for RGAs have evolved considerably and the needs of the AGSA, as far as professional staff is concerned, have also changed. Taking into account the above, an Extended Government Auditing Specialism Programme (E-GASP) was developed. It came onto effect in 2014. For ease of reference any reference to GASP is meant to refer to the new format (E-GASP).

GASP is presented by SAIGA in pre-determined intervals (a number of multi-day Modules), preceding the RGA-QE. Due to changing circumstances, an evolving government auditing environment and other factors, the structure of GASP may vary slightly from year to year. Details of each year's GASP are published a few months before commencement of the programme. Prospective RGA-QE candidates can contact the SAIGA Secretariat to enroll for GASP or visit the Institute's website www.saiga.co.za (How to become a RGA).

Before a candidate can enroll for GASP, he has to register with SAIGA as a trainee auditor, or have completed his period of practical training with SAIGA (GAE).

The Government Auditing Specialism Programme forms the core of the RGA competencies development. GASP is designed to address certain shortcomings in the academic programmes of tertiary institutions. Although these academic programmes are currently used to meet the RGA subject requirements (particularly the subjects of Accounting and Auditing), they do not include the public sector topics that form the basis on which the government auditor's competencies are applied.

GASP is based on the following educational concepts:

- Attendance of specific training interventions (a number of multi-day Modules)
- Self-Study assignments/extended reading
- Summative assessments/simulated qualifying examinations.

## GASP Modules

During the period 2008 to 2013 the Government Auditing Experience (GAE) requirements and certain Experience Bands in particular required trainee auditors to attend a number of compulsory courses presented by the Institute. The compulsory courses requirement is no longer applicable and the compulsory courses' contents have been incorporated into the Government Auditing Specialism Programme (Extended).

The Government Auditing Specialism Programme consists of a number of Modules. The contents of each module depends on a number of factors (for example recent technical changes, additions to the subject matter, shift of importance, requests from the regulator, practical considerations or other constraints).

Specific details regarding each year's GASP are contained in a GASP document (Rules and Regulations) to be published a few months before commencement of the programme.

## V     THE QUALIFYING EXAMINATION FOR REGISTERED GOVERNMENT AUDITORS
### (RGA-QE)

### Admission requirements

The successful completion of the three-year degree / diploma (as specified), a pass rate in the required subjects  and the successful completion of the Government Auditing Specialism Programme is a prerequisite for writing the RGA-QE, but the completion of the practical requirement (GAE) is *not*. This means that candidates can write the RGA-QE during their period of practical training.

### Date of the RGA-QE

The RGA-QE is an *annual* examination written on a date set by the Executive Committee (EXCO) of the Institute, subject to an economic number of applications being received. Candidates have to submit their applications to be received by the SAIGA Secretariat before the due date set by EXCO.

### RGA-QE fees

Candidates have to pay an administration fee (application), as well as the actual examination fee, based on the number of papers written. Both examination and administration fees for the processing of the application are payable with application. Should the application be unsuccessful, only the examination fees (and not the administrative fee) will be refunded. The examination fee and the administration fee to process the application are set by the Executive Committee of the Institute and made available to interested parties, through the SAIGA Secretariat or on the SAIGA website (www.saiga.co.za).

### Form of paper and pass rate

The RGA-QE is a written examination consisting of three papers
(4 hours each):

> *First paper*:
> Duration: 4 hours.
> Main content: The Regulatory Framework for the government auditor.
> Minimum percentage required: 40%.

*Second paper*:
Duration: 4 hours.
Main content: Public sector accounting (GRAP, local government accounting, preparing annual financial statements for government departments).
Minimum percentage required: 40%.

*Third paper*:
Duration: 4 hours.
Main content: The government auditing process, including performance auditing, forensic auditing, the application of the AGSA's audit manuals, information technology – audit perspectives.
Minimum percentage required: 40%.

The marks of all three papers are considered jointly to determine the candidates' final mark. Candidates have to obtain an aggregate of 50% to pass the RGA-QE. The Institute's Executive Committee (EXCO) will publish one mark for successful candidates.

EXCO can issue a successful (pass) mark (50% or higher) for one paper and an unsuccessful (fail) mark for the others.

A first- time candidate and a candidate that has not passed a paper has to enroll for all three papers at the first attempt and thereafter. Only in cases where the candidate has already passed one paper, will a single or dual paper application be considered.

Candidates, who have passed one or two papers, are allowed to enroll for all three papers on subsequent attempts. This will ensure that the highest mark (in respect of the paper passed) will be taken into account to calculate the aggregate mark to pass the RGA-QE.

Designated venues where the RGA-QE will be written, will be decided upon, after the applications have closed.

## Results

Candidates will be informed of the results of the examination within two months after the examination date. To respect candidates' constitutional right to privacy, individual results will not be made public. The Institute may publish general statistics in respect of the examination. SAIGA also reserves the right to identify a number of achievers and publish their names and achievements.

The Institute also has the right to publish the results in any other format or media as considered appropriate and conducive towards the professional development of the RGA qualification.

## Examination Policy

More detail and information with regard to the RGA-QE are contained in the Examination Policy document which is made available to all candidates who have successfully registered.

## Certification of the RGA-QE

All successful candidates will receive a certificate, certifying the successful completion of the RGA Qualifying Examination under the seal of the Southern African Institute of Government Auditors. Candidates who pass only one paper will receive a letter to this effect and once such candidate has passed all three papers, a certificate will be issued. Certification of the RGA-QE alone does not of itself confer membership of the Institute.

## Number of attempts to write the RGA-QE

Candidates can attempt the RGA-QE (or parts thereof) three times. After three unsuccessful attempts, a candidate has to provide the Education & Training Committee (ETC) with the following:

- written proof that he has gained a further one year of government auditing experience
- satisfy the ETC that he has taken additional steps that would increase the chances of success in the RGA-QE (such steps would, for example include further formal education, successful completion of update courses and other continuing professional development).

The same applies to a candidate who wishes to enrol for a RGA-QE in the third year after writing his first RGA-QE – irrespective of how many times the candidate has actually enrolled.

After four unsuccessful attempts (irrespective of the number of papers written), the candidate will have to repeat the GASP programme unless the EXCO decides otherwise.

## Mark allocation

The knowledge and experience needed to function effectively as a Registered Government Auditor changes and expands at a rapid rate. Developments in public practice have the effect that the emphasis of importance and relevance may be subject to similar changes. Taking this into account, no fixed mark allocation can be provided in this document.

## Use of multiple choice questions

The Examination Board may, include multiple choice questions in the RGA-QE. This component will not exceed 34% of the total marks of the RGA-QE.

## Communication skills

A certain percentage of the RGA-QE may be allocated to the assessment of the candidate's communication skills.

Candidates must be able to:

- communicate professionally by using professional terms, precise formulation and avoiding contradictory statements, repetition and inconclusive accounts
- present answers in a structured format which is easily comprehensible
- set out answers so as to differentiate between important and less important points
- display the effective use of tables, lists, numbering systems and other means of organising formal communications
- write neatly and legibly.

## VI   CERTIFICATION AS RGA

The Southern African Institute of Government Auditors maintains a Register of Registered Government Auditors. This register is accessible trough a searchable database on the Institute's website.

Candidates who have successfully met the following requirements can apply to register as RGA and have their names recorded in the Register of Registered Government Auditors:

- acquired the minimum prescribed formal education requirements at a tertiary institution(s) – minimum degree and subjects

- successfully completed the Government Auditing Specialism Programme

- passed the Qualifying Examination for Registered Government Auditors

- gained the prescribed government auditing experience (GAE)

- submitted a signed declaration to adhere to the Code of Ethics of Public Auditors and submitted any relevant forms required

- paid all prescribed fees.

Meeting the continuing professional development (CPD standards as set from time to time by the Institute) is a prerequisite to retain the RGA certificate.

The Register of Government Auditors is accessible on the Internet (World Wide Web) through a searchable database to enable the public to confirm the registration status of auditors involved in the audit of their organisations.

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Internet address
of the
Southern African Institute of Government Auditors

**www.saiga.co.za**

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## VII    CONTINUING PROFESSIONAL DEVELOPMENT

The global trend in the accounting and auditing profession is to require professionals to engage in life-long learning and to ensure that members of professional bodies are able to perform their professional responsibilities in the public interest. In the accounting and auditing profession, this requirement was further entrenched by the post mortem conducted after various corporate collapses and audit failures.

The International Federation of Accountants (IFAC) prescribes that member bodies implement a continuing professional development (CPD) requirement as an integral part of a professional accountant's continued membership. This requirement also contributes to the government auditing profession's objective of providing high-quality services to meet the needs of the public and to serve the public interest.

In the above context, continuing professional development is defined as relevant, verifiable and measurable learning outcomes and activities. CPE are learning activities that develop and maintain capabilities to enable the Registered Government Auditor to perform competently within his/her professional environment.

INTOSAI Auditing Standards require that the audit professional engages in continued professional education (CPE) which, given a somewhat broader context, is referred to as continuing professional development (CPD) in this documents. Based on the INTOSAI principles, the CPD requirement is discharged jointly by the SAI as well as the professional him/herself.

INTOSAI standards require that the SAI (in South Africa the AGSA) should take adequate steps to provide for continuing professional development of its personnel, including, as appropriate, provision of in-house training and encouragement of attendance at external courses. The AGSA therefore plays an important role in the continued professional development processes of the Registered Government Auditor.

A number of important principles therefore underlie the Registered Government Auditor's CPD system:

- The responsibility for developing and maintaining competence rests primarily with each Registered Government Auditor
- The CPD system for RGAs is compulsory (mandatory)
- The compulsory CPD applies to all RGAs, whether in the employ of the AGSA, private sector audit firms, academia, the public sector, private practice or any other field

- The compulsory CPD system came into effect on 1 April 2007 (start of the 2007 financial year as both SAIGA and the AGSA have 31 March year ends) and operates in four-year cycles
- It is every RGA's responsibility to record his CPD in the manner and format prescribed by the Institute's EXCO
- The system of CPD is supported by the provision of appropriate sanctions for failure to meet the CPD requirements
- All CPD rules are, where necessary, subject to the approval and interpretation by the Institute's EXCO.

The INTOSAI Auditing Standards which apply to continued professional education and more specifically to individuals are listed below. The term "SAI personnel" is substituted by (Registered Government Auditors - RGAs):

- RGAs should possess suitable academic qualifications and be equipped with appropriate training and experience

- RGAs should have a good understanding of the government environment, including such aspects as the role of the legislature, the legal and institutional arrangements governing the operations of the executive and the charters of public enterprises

- RGAs must possess an adequate knowledge of

  - the SAI's auditing standards, policies, procedures and practices
  - financial systems, accounting records and financial statements
  - knowledge of applicable legislation and executive orders affecting the accountability of the audited entity
  - areas as administration, management, economics and the social sciences.

Registered Government Auditors therefore have to record all continued professional development related activities participated for each cycle according to the format communicated to them by the Institute from time to time.

Apart from the mandatory CPE review and monitoring of RGAs, to implement the INTOSAI continuing professional education standards, SAIGA will review the steps taken by the AGSA to meet the INTOSAI CPE standards.

**The specific compulsory CPD requirements for RGAs are:**

- **Over a consecutive four-year period accomplish 180 hours of CPD activities, half of which should be confirmable by an authoritative external (from the RGA's point of view) source**

- **RGAs are encouraged to record a minimum of 20 hours per year (1 April to 31 March).**

The responsibility for ensuring the development of competence to function as RGA lies primarily with each individual RGA. RGAs must therefore take necessary steps to identify relevant and applicable CPD activities.

Without limiting the forms of acceptable CPD activities, some examples of are provided below:

- enrolment and study at registered tertiary institutions
- attendance of formal courses by SAIGA's Public Finance Management Academy (part of the Public Finance Management Programme)
- attendance of other formal courses providing certification
- attendance of other courses on public or private sector accounting and auditing
- attendance of and participation during in-house training activities and interventions
- formal on-the-job training
- participation on technical committees
- preparation of technical and informative submissions, presentations, proposals and other technically based activities
- research activities in the fields of accounting and auditing
- formulating articles, lectures, policies, etc, to be published in various mediums (manuals, journals, newspapers, etc.)
- attendance and participation in conferences, lecturers, workshops, information sessions, formal discussion groups
- reading of articles, books and other publications related to auditing and accounting in general.

SAIGA may monitor the CPD requirements by randomly selecting a percentage of RGAs and confirming their CPD input.

RGAs should acknowledge the fact that such a system will develop over time and further requirements and practical issues regarding the monitoring may be communicated to RGAs from time to time.

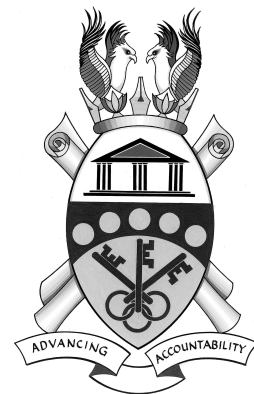More details (rules, regulations and other guidelines regarding Continuing Professional Development are set out in a separate CPD document.