



State Internal Audit Function

Ministry of Finance

Internal Audit Competency Framework

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Table of Contents

Vision, Mission and Core values of State Internal Audit Function	1
Importance of a competency framework	1
Core Competencies	2
Competency Matrix	2
Qualification and Experience Criteria	3
Application	5
Appendix 1: State Internal Auditors' Competency Framework	6

Introduction

The objective of this competency framework is to provide direction and guidance to improve the capability of the internal audit staff to contribute to the performance excellence of the entity. This framework includes a number of competencies that are applied to multiple occupational roles within Public Sector Internal Audit.

Vision, Mission and Core values of State Internal Audit Function

The vision of the State Internal Audit Function is “Fostering integrity and good governance in public service” and its mission is “to provide independent, objective assurance and consulting services that add value to the operations of public sector institutions through a systematic evaluation of governance, risk management and control. “

The core values of the function is provided below.

Integrity	The internal audit staff will maintain utmost integrity and honesty in carrying out engagements and other relations.
Impartiality	The engagements of the internal audit function will be carried out impartially to provide professional opinion and advise to improve the processes and systems of the state agencies.
Impact	The internal audit methodology of the state internal audit function is designed to ensure that the audits areas selected are of profound importance to enhance the quality and effectiveness of the services provided by the public offices.
Innovation	Continuous learning and development together with awareness of changes in technology and operational process to ensure staff of the internal audit provide innovative solutions to challenging problems of the public offices.
Interconnected	Though the internal audit functions of the state operate as decentralized functions, we collaborate and work in a systematic manner to ensure our vision, mission and core values are upheld.

Importance of a competency framework

Competencies are skills that are essential to perform certain tasks. While all competencies are considered by some auditors as important, core competencies consists of the most important essential skills.

The IIA’s Code of Ethics enquires competency for the services internal auditors provide. Code of Ethics rule 4.1 states “internal auditors shall engage only in those services for which they have the necessary knowledge, skills and experience. Code of Ethics Rule 4.3 stated “internal auditors shall continually improve their proficiency and the effectiveness and quality of their services. “Internal auditors may spend a significant amount of time annually on continuing professional education to improve their internal audit competencies. By identifying and prioritizing their core competencies and organizing their competency development process around them, internal auditors may improve their core competencies, benefit their organizations and increase their opportunities for career advancement

Core Competencies

There are 4 core competencies areas in the framework. They are Professionalism, Performance, Environment and Leadership and communication, which are categorized into 3 skill levels. The skill levels are expert, applied knowledge and general awareness. Refer Appendix 1 for the details of the competencies.

Competencies	Meaning	Knowledge Areas
Professionalism	Competencies required to demonstrate the authority, credibility, and ethical conduct essential for a valuable internal audit activity.	<ul style="list-style-type: none"> • Mission of internal auditing • Internal audit charter • Organizational independence • Individual objectivity • Ethical behavior • Due professional care • Professional development
Performance	Competencies required to plan and perform internal audit engagements in conformance with the <i>Standards</i> .	<ul style="list-style-type: none"> • Organizational governance • Fraud • Risk management • Internal control • Engagement planning • Engagement fieldwork • Engagement outcomes
Environment	Competencies required to identify and address the risks specific to the industry and environment in which The organization operates.	<ul style="list-style-type: none"> • Organizational strategic planning and management • Common business processes • Social responsibility and sustainability • Information technology • Accounting and finance
Leadership and Communication	Competencies required to provide strategic direction, communicate effectively, maintain relationships, and manage internal audit Personnel and processes.	<ul style="list-style-type: none"> • Internal audit strategic planning and management • Audit planning and coordinating assurance efforts • Quality Assurance and Improvement Program

Competency Matrix

Designation	Competency Level
Chief Internal Auditor	Expert
Director General of Internal Audit	
Director of Audit	
Assistant Director , Internal Audit	Applied Knowledge
Senior Internal Auditor	
Internal Auditor	General Awareness
Assistant Internal Auditor	

Qualification and Experience Criteria

Designation	Criteria
Chief Internal Auditor	<p>Chief Internal Auditor shall be appointed by the president as per recommendations by the Minister of Finance.</p> <p>The specific criteria for appointment is as follows:</p> <ol style="list-style-type: none"> 1. A citizens of the Maldives 2. Minimum 5 years of experience in internal or external audit. 3. A person with sufficient knowledge, experience and capability to carry out the responsibilities, including membership of the Institute of the Chartered Accountants of the Maldives. 4. The personal shall not be convicted of an offense involving fraud and corruption.
Director General of Internal Audit (Civil Service Rank: EX 5-6)	<p>Member of a professional accounting body accepted by the International Federation of Accountants (IFAC) such as ACCA/CIMA/CPA, with 8 years of experience, of which at least 2 years of management experience.</p> <p>Or;</p> <p>A person with a qualification equivalent to Level 9 of the Maldives National Qualification Framework with 8 years of experience of which at least 2 years of management experience.</p> <p>Or;</p> <p>A person with a qualification equivalent to Level 7 of the Maldives National Qualification Framework with 12 years of experience of which at least 2 years of management experience.</p>
Director of Audit (Civil Service Rank: EX 1-2)	<p>Member of a professional accounting body accepted by the International Federation of Accountants (IFAC) such as ACCA/CIMA/CPA, with 4 years of experience, of which at least 2 years of management experience.</p> <p>Or;</p> <p>A person with a qualification equivalent to Level 9 of the Maldives National Qualification Framework with 4 years of experience of which at least 2 years of management experience.</p> <p>Or;</p> <p>A person with a qualification equivalent to Level 7 of the Maldives National Qualification Framework with 8 years of experience of which at least 2 years of management experience.</p>
Assistant Director, Internal Audit (Civil Service Rank: MS 4)	<p>Member of a professional accounting body accepted by the International Federation of Accountants (IFAC) such as ACCA/CIMA/CPA, with 3 years of experience, of which at least 1 year of management experience.</p> <p>Or;</p>

	<p>A person with a qualification equivalent to Level 9 of the Maldives National Qualification Framework with 3 years of experience.</p> <p>Or;</p> <p>A person with a qualification equivalent to Level 7 or Level 8 of the Maldives National Qualification Framework with 8 years of experience, of which at least 1 year of management experience.</p>
<p>Senior Internal Auditor (Civil Service Rank: MS 3)</p>	<p>Member of a professional accounting body accepted by the International Federation of Accountants (IFAC) such as ACCA/CIMA/CPA.</p> <p>Or;</p> <p>A person with a qualification equivalent to Level 9 of the Maldives National Qualification.</p> <p>Or;</p> <p>A person with a qualification equivalent to Level 6 or Level 7 of the Maldives National Qualification Framework with 4 years of experience.</p>
<p>Internal Auditor (Civil Service Rank: MS 2)</p>	<p>A person with a qualification equivalent to Level 6 of the Maldives National Qualification in a relevant field.</p>
<p>Assistant Internal Auditor (Civil Service Rank: GS 2)</p>	<p>A person with a qualification equivalent to Level 5 or Level 6 of the Maldives National Qualification in a relevant field.</p> <p>Or;</p> <p>A person with a qualification equivalent to Level 4 the Maldives National Qualification in a relevant field, with 4 years of relevant work experience.</p> <p>Or;</p> <p>Certified Accounting Technician Qualification.</p> <p>Or;</p> <p>Completion of ACCA Level 1,</p> <p>Or;</p> <p>Completion of GCE Advanced Level, with 3 years of experience.</p>
<p>Internal Audit Trainee</p>	<p>Completion of GCE Advanced Level or GCE Ordinary Level</p>

Application

This competency framework may be used as a guide to develop similar ones for internal audit functions in public institutions in the Maldives. Internal audit staff members should possess these competencies. Superiors in the function should assess staff members on them. Additionally, competencies in this framework should also form part of the annual performance appraisal of the internal audit staff members and their future training needs.

This competency framework is approved by the State Audit Committee on 15th May 2024.



Aminath Reema Rasheed

Chair of State Internal Audit Committee

Appendix 1: State Internal Auditors' Competency Framework

PROFESSIONALISM			
KNOWLEDGE AREA	COMPETENCY LEVEL		
	GENERAL AWARENESS	APPLIED KNOWLEDGE	EXPERT
Mission of internal auditing	Describe the purpose, authority, and responsibility of the internal audit activity; distinguish between assurance and consulting services.	Demonstrate ability to conduct both assurance and consulting engagements in conformance with the <i>Standards</i> .	Review the internal audit activity's ability to conduct both assurance and consulting activities to add value and improve the organization's operations.
Internal audit charter	Describe the purpose of an internal audit charter; identify the required elements of an internal audit charter, according to the <i>Standards</i> .	Prepare an internal audit charter in conformance with the <i>Standards</i> , and receive approval from the board.	Evaluate and revise an internal audit charter to achieve conformance with the <i>Standards</i> and promote world-class performance.
Organizational independence	Describe the importance of organizational independence of the internal audit activity; identify the elements that affect independence.	Detect any potential impairments to internal audit independence and the impact.	Address any potential impairments to internal audit independence to achieve conformance with the <i>Standards</i> ; communicate the impact of any remaining impairments.
Individual objectivity	Describe the importance of internal audit objectivity; identify factors that may impair, or appear to impair, objectivity.	Detect and manage any real or perceived impairments to an individual internal auditor's objectivity; assess and maintain internal audit objectivity.	Develop and maintain policies that govern objectivity; recommend strategies to promote objectivity.
Ethical behavior	Describe the importance of a code of ethics for internal auditors; identify the principles of The IIA's Code of Ethics.	Demonstrate individual conformance with The IIA's Code of Ethics.	Assess the internal audit activity's conformance with The IIA's Code of Ethics; recommend strategies to maintain and promote the highest ethical standards for internal auditors and the internal audit activity.
Due professional care	Describe due professional care.	Demonstrate due professional care.	Evaluate and conclude on the application of due professional care.
Professional development	Recognize the knowledge, skills, and competencies needed to fulfill the responsibilities of the internal audit activity and the need for continuing professional development.	Demonstrate internal audit competency through continuing professional development.	Assess the competencies required to fulfill the responsibilities of the internal audit activity; promote professional development.

PERFORMANCE			
KNOWLEDGE AREA	COMPETENCY LEVEL		
	GENERAL AWARENESS	APPLIED KNOWLEDGE	EXPERT
Organizational governance	Describe the concept of organizational governance.	Detect risks related to the organization's governance policies, processes, and structures.	Recommend improvements to the organization's governance policies, processes, and structures.
Fraud	Recognize types of fraud, fraud risk, and red flags for fraud.	Evaluate the potential for fraud and how the organization detects and manages fraud risks; recommend controls to prevent and detect fraud and educate to improve the organization's fraud awareness.	Apply forensic auditing techniques in fraud prevention, deterrence, and investigation.
Risk management	Describe fundamental concepts of risk and risk management; describe risk management frameworks.	Use a risk management framework to identify potential threats; examine the effectiveness of risk management within processes and functions.	Appraise the methods used to assess the effectiveness of risk identification and management.
Internal control	Identify types of controls.	Use an internal control framework to examine the effectiveness and efficiency of internal controls.	Evaluate and recommend improvements to the organization's internal control framework; assess the organization's implementation of its internal control framework.
Engagement planning <ul style="list-style-type: none"> • Objectives and scope • Risk assessment • Work program • Resources 	Describe the key roles and activities involved in establishing the objectives, evaluation criteria, and scope of an engagement.	Determine the objectives, evaluation criteria, and scope of an engagement.	Evaluate the audit engagement's objectives and scope to ensure the quality of the engagement.
	Describe the purpose of performing a risk assessment during engagement planning and the steps involved.	Complete a detailed risk assessment, including prioritizing key risks and controls.	Evaluate the risk assessment process during the audit engagement.
	Describe the purpose of an engagement work program and key components.	Prepare an engagement work program.	Assess the audit engagement work program.
	Describe the factors that influence planning for staffing and resource planning for an engagement.	Determine staff and resources for an engagement.	Evaluate audit engagement staffing and resources.

PERFORMANCE			
KNOWLEDGE AREA	COMPETENCY LEVEL		
	GENERAL AWARENESS	APPLIED KNOWLEDGE	EXPERT
Engagement fieldwork <ul style="list-style-type: none"> • Information gathering • Sampling • Computer-assisted audit tools and techniques • Data analytics • Evidence • Process mapping • Analytical review • Documentation 	Describe the purpose of preliminary surveys of the engagement area, checklists, and risk-and-control questionnaires.	Perform a preliminary survey of the engagement area; develop checklists and risk-and-control questionnaires; examine relevant information during an engagement.	Evaluate engagement information-gathering activities.
	Describe the various approaches to sampling, including advantages and drawbacks of each.	Apply appropriate sampling techniques.	Evaluate audit engagements sampling activities.
	Describe the purpose, advantages, and disadvantages of using computer-assisted audit tools and techniques.	Use computer-assisted audit tools and techniques.	Evaluate the use of computer-assisted audit tools and techniques during the audit engagement.
	Describe data analytics, the data analytics process, and the application of data analytics methods in internal auditing.	Apply data analytics methods.	Evaluate the use of data analytics in internal auditing.
	Recognize potential sources of evidence.	Evaluate the relevance, sufficiency, and reliability of potential sources of evidence.	Develop guideline to ensure evidence is relevant, sufficient, and reliable.
	Describe the purpose, advantages, and disadvantages of various process mapping techniques.	Apply appropriate analytical approaches and process mapping techniques.	Evaluate process mapping of the audit engagement.
	Describe the purpose, advantages, and disadvantages of various analytical review techniques.	Determine and apply analytical review techniques.	Evaluate analytical review techniques implemented during the audit engagement.
	Describe documentation and work paper requirements.	Prepare work papers and documentation.	Evaluate audit engagement documentation.

PERFORMANCE			
KNOWLEDGE AREA	COMPETENCY LEVEL		
	GENERAL AWARENESS	APPLIED KNOWLEDGE	EXPERT
Engagement outcomes <ul style="list-style-type: none"> • Communication quality • Conclusions • Recommendations • Reporting • Residual risk and risk acceptance • Management action plan • Results monitoring 	Describe the elements of quality engagement communications.	Demonstrate quality engagement communications, including preliminary communication with engagement clients.	Evaluate audit engagement communications.
	Recognize the elements of an appropriate engagement conclusion.	Summarize and develop engagement conclusions.	Evaluate audit engagement conclusions.
	Recognize the importance of providing recommendations.	Formulate recommendations to enhance and protect organizational value.	Evaluate audit engagement recommendations.
	Describe the engagement communication and reporting process, including interim reporting, the exit conference, obtaining management's response, the report approval process, and distribution of the report.	Prepare an interim report; prepare a final audit report, seek approval, and distribute to appropriate parties.	Review and approve engagement reports; recommend distribution of the report to appropriate parties.
	Describe the chief audit executive's responsibility for identifying and assessing the residual risk and the process for communicating management's acceptance of risk.	Identify residual risk.	Assess the impact of residual risk; communicate management's acceptance of risk to senior management and the board.
	Describe engagement outcomes; describe the purpose of a management action plan.	Assess engagement outcomes, including the management action plan.	Evaluate the collective outcomes of engagements performed by the internal audit activity.
	Recognize the importance of monitoring and follow-up on the disposition of audit engagement results communicated to management and the board.	Manage monitoring and follow-up of the disposition of audit engagement results communicated to management and the board.	Evaluate monitoring and follow-up performed by the internal audit activity.

ENVIRONMENT			
KNOWLEDGE AREA	COMPETENCY LEVEL		
	GENERAL AWARENESS	APPLIED KNOWLEDGE	EXPERT
Organizational strategic planning and management <ul style="list-style-type: none"> • Structure • Performance measures • Organizational behavior • Leadership 	Identify the risk and control implications of different organizational structures.	Evaluate the organization's governance structure and the impact of organizational structure and culture on the overall control environment and risk management strategy.	Recommend improvements to the overall control environment and risk management strategy.
	Describe the strategic planning process.	Analyze the organization's strategic planning process.	Recommend improvements to the organization's strategic planning process.
	Describe common performance measures.	Examine performance measures used by the organization.	Select appropriate performance measures.
	Explain organizational behavior and performance management techniques.	Examine existing organizational behavior and performance management techniques.	Recommend appropriate organizational behavior and performance management techniques.
	Describe management's effectiveness to lead and build organizational commitment.	Examine management's effectiveness to lead and build organizational commitment.	Recommend actions to improve management's approach to leading and building organizational commitment.
Common business processes	Describe the risk and control implications of common business processes (human resources, procurement, contracting, product development, project management, sales, marketing, logistics, management of outsourced processes, etc.).	Examine the risks and controls related to the organization's business processes.	Recommend actions to address risks related to the organization's business processes.
Social responsibility and sustainability	Describe corporate social responsibility and sustainability.	Examine the organization's approach to social responsibility and sustainability.	Recommend actions to improve the organization's approach to social responsibility and sustainability.
Information	Describe the basic concepts of IT and data analytics.	Apply data analytics and IT in auditing.	Evaluate the use of data analytics and IT in auditing.

technology <ul style="list-style-type: none"> • Data analytics • Security and privacy • IT control frameworks 	Describe the various risks related to IT, information security, and data privacy.	Identify and assess various risks related to IT, information security, and data privacy.	Recommend actions to address IT risks, information security, and data privacy.
	Recognize the purpose and applications of IT control frameworks and basic IT controls.	Apply IT control frameworks.	Evaluate the use of IT control frameworks.
Accounting and finance	Identify various financial and managerial accounting concepts and underlying principles.	Conduct financial analyses; examine and interpret financial statements.	Evaluate financial statement accuracy and provide assurance.

References

1. Internal Audit Competency Framework, IIA, 2022

LEADERSHIP AND COMMUNICATION			
KNOWLEDGE AREA	COMPETENCY LEVEL		
	GENERAL AWARENESS	APPLIED KNOWLEDGE	EXPERT
Internal audit strategic planning and management	Recognize the importance of aligning the internal audit strategic plan with the organization's strategy.	Create the internal audit strategic plan in alignment with the organization's strategy, risk profile, and risk management strategy; create an effective and efficient budget for the internal audit activity.	Assess the internal audit strategic plan; evaluate and recommend improvements to the budget for the internal audit activity.
	Differentiate various internal audit roles, including the engagement supervisor and chief audit executive.	Manage internal audit personnel (including recruiting, developing, motivating, managing conflict, building teams, delegating, retaining talent, and succession planning); create policies and procedures for managing internal audit operations.	Assess the talent management efforts of the internal audit activity; appraise policies, procedures, and administrative activities of the internal audit activity.
	Identify key activities in supervising engagements.	Supervise engagements.	Assess engagement supervision activities to ensure the quality of the internal audit activity.
Audit plan and coordinating assurance efforts	Identify sources of potential engagements, including industry trends and emerging risks.	Conduct a risk assessment, prioritize engagements, develop a risk-based internal audit plan, and obtain board approval.	Evaluate and revise a risk-based internal audit plan to meet the organization's evolving needs.
	Describe coordination of internal audit efforts with the external auditor, regulatory oversight bodies, and other internal assurance functions, and potential reliance on other assurance providers.	Prepare a risk assurance map.	Coordinate assurance efforts with other providers to ensure proper coverage and minimize duplication of efforts.
Quality Assurance and Improvement Program	Describe requirements of the Quality Assurance and Improvement Program.	Schedule and complete internal and external quality assessments to meet requirements and report results.	Assess the internal audit activity's quality assurance and improvement practices and assess conformance with the <i>Standards</i> .
	Identify appropriate disclosure of conformance vs. nonconformance with The IIA's <i>International Standards for the Professional Practice of Internal Auditing</i> .	Formulate appropriate disclosures of conformance vs. nonconformance with the <i>Standards</i> .	Assess the internal audit activity's disclosures of conformance vs. nonconformance with the <i>Standards</i> .

LEADERSHIP AND COMMUNICATION

KNOWLEDGE AREA	COMPETENCY LEVEL		
	GENERAL AWARENESS	APPLIED KNOWLEDGE	EXPERT
Communication <ul style="list-style-type: none"> • Advocacy • Relationships • Reporting • Soft skills • Innovation 	Recognize the value of advocacy and the importance of maintaining stakeholder relationships (e.g., board, senior management, audit clients, other assurance providers, external stakeholders).	Manage the internal audit activity's reputation and stakeholder expectations; demonstrate sincerity, honesty, and empathy in communications with stakeholders to build trust and maintain relationships.	Assess stakeholder relationships and recommend actions to achieve improvements; evaluate the advocacy efforts of the internal audit activity.
	Describe appropriate communications between internal auditors and stakeholders, including key performance indicators; recognize that the chief audit executive reports on the overall effectiveness of the organization's internal control and risk management processes to senior management and the board.	Prepare relevant and appropriate communications for internal audit stakeholders, including reports to senior management and the board (e.g., significant risk exposures, key performance indicators, etc.).	Assess internal audit communications with stakeholders, including key performance indicators to evaluate the success of the internal audit activity, and recommend improvements.
	Recognize the importance of written and verbal communication skills, including soft skills such as conflict management, influence, and persuasion.	Demonstrate soft skills (conflict management, influence, and persuasion); provide insightful consultation to contribute to the organization's effectiveness; detect opportunities for change and facilitate change.	Assess the internal audit activity's written and verbal communication skills, soft skills, and innovation; recommend improvements.