

QUALITY OF AUDIT AND PROFESSIONAL DEVELOPMENT- PAKISTAN'S EXPERIENCE

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Supreme Audit Institutes as per their mandate supervise the implementation of government budgets and evaluate the use of administrative resources to ensure that public funds are used wisely, economically, and effectively. Quality government audit involves reviewing policies according to local and international standards and providing insight, predictions, and warnings to related organizations. The feedback of governmental auditing services not only reflects how the government functions but also influences how people view the government and its executive branches. Thus, ensuring audit quality becomes an important approach to enhance the value of resources, stimulate economic development and give direction to development. SAIs audit quality also plays an essential role in enhancing the quality of public sector governance and public service for the benefits of their citizens. Therefore in today's dynamic and demanding economic environment, professional auditors need to maintain competence and knowledge of current developments alongside auditing skills to enable them to act with due skill and care in providing this feedback.

Professional development is a learning process that can promote personal growth, improve auditing skills, revolutionize working

procedures, and increase audit report quality as the same depends on the quality of auditor judgments during all stages and procedures of audit. The maintenance of professional judgment and hence competence requires a continuing awareness and understanding of relevant technical, professional and business developments. It is no longer about learning of audit techniques but also developing industry specialization which has become an element to not only enhance audit quality but also maintain competitiveness. An organization can promote long-term efficacy and survival development through proper knowledge management as knowledge is essential for maintaining competence.

As stated by David Megginson¹ in his book *Continuing professional development*, some of the key principles for CPD include the following;

- Professional development is a continuous process across the working life.
- Individuals are responsible for controlling and managing their professional development.
- Learning targets should reflect the needs of employers, clients as well as the individuals themselves.
- Learning is affective only if integrated in the work activity, rather than making it

¹David Megginson, [Vivien Whitaker](#), *Continuing Professional Development*, Kogan Page Publishers, 22-Jan-2007 [Business & Economics](#) - 176 page



additional burden.

Auditors can advance their professional development through continuous learning to increase their knowledge, open-mindedness, sensitivity to fraud detection, to set career goals, and to promote peer learning. Continuing professional development (CPD) enables a professional auditor to develop and maintain the capabilities to perform competently within the professional environment².

The Department of the Auditor General of Pakistan (DAGP) - the Supreme Audit Institution (SAI) of Pakistan- is entrusted under Constitutional provisions, with the audit of all the revenues, receipts and expenditures of Federal and Provincial Government departments, autonomous bodies, corporations, institutions, etc., financed by or working under their administrative control. The Reports of the AGP are discussed/deliberated upon by the respective Public Accounts Committees.

To honor these responsibilities in a befitting manner, the DAGP has been striving to upgrade its capabilities, improve quality of audit and maintain competence in line with challenging demands of accountability and expanding governance environment. In 2012-14, SAI Pakistan undertook a comprehensive review exercise in the backdrop of these challenges coming from the ever changing complex governance environment and growing reliance on information and

communication technologies (ICTs) employed in the public sector. Also emerging areas such as privatization, public debt management, disaster management, energy management, gender issues, public private partnerships, enhanced accountability demands, etc. needed to be considered for the meaningful audit. The review was conducted in accordance with the INTOSAI's Strategic Planning Handbook framework that suggested needs assessment by a Supreme Audit Institution (SAI) before strategic planning. The DAGP completed needs assessment, according to the detailed road map given in INTOSAI's Capacity Building Needs Assessment (CBNA) 2009. This included taking stock of the prevailing situation and identification of gaps with the involvement and participation of all tiers of DAGP. The CBNA identified performance gaps that served as the base line for first Strategic Plan 2015³ which is being implemented presently. Goal 2 of the plan focuses on Development of professional and institutional capacity. The key activities planned under the Goal 2 included building capacity and competency in current, emerging and future issue areas in public governance and audit methodologies; training in use of existing audit manuals, guidelines, Code of Ethics; and developing capacities in IS auditing. Professional development and training being a cross-cutting activity, also appeared under Goal 3: **Developing communication and cooperation with internal and external stake holders**, and Goal 4: **Use of modern audit**

²: Vivian Kloosterman, The importance of continuing professional development, <https://continuingprofessionaldevelopment.org/why-is-cpd-important/>

³Strategic Plan 2015-21, Department of the Auditor General of Pakistan

techniques and technologies.

To promote long-term efficacy, competency and survival concerted efforts were made towards proper knowledge management. The natural outcome of this reform was development and implementation of continuous professional development (CPD) program, focusing on understanding which skills and experiences were needed by a SAI's staff, what skills and experience they already had and what needed to be done to build on current capability and bridge any gaps. The program included professionalization not just of audit staff but all staff in a SAI.

The portfolio CPD program represents the entire gamut of the SAIs operations across present and future challenges. Besides supporting the SAIs in core audit disciplines and computer related skillsets, the program covers areas like Strategic and Operational Planning, Management and Leadership Development, Human resources, ethics etc. The proposed CPD Program is divided in to three parts, namely:

- (a) Mandatory CPD Training
- (b) Training for bridging skill gaps
- (c) Training in emerging audit areas

DAGP started operationalization of the CPD program in 2020. A total of 76 professional courses were identified which were required to be developed. With focus on internal

capacity enhancement and mentoring, officers having relevant degrees in the subject from reputable institutions were identified. Following INTOSAI's model, these officers after being given professional training as master trainers and course designers were asked to design the courses. The course design and content were then reviewed by Subject Matter Experts. Even in the times of COVID, 28 courses have been designed and 8 courses conducted by these training experts. By providing a mix of mandatory and optional professional development courses, the CPD empowers the officers to develop expertise in areas of their interest while maintaining the minimum professional benchmark. So far 08 courses have been conducted. All these courses have been conducting through the Zoom software as COVID related precautionary measures does not allow face to face interaction.

The CPD program follows all the principles as stated above. It provides a range of courses for not only different seniorities but also for all cadres within the department. The mix of mandatory and non-mandatory courses ensures that there is flexibility yet minimum bench marking, thus making the individual responsible for steering her/his professional development. Trainings in emerging audit areas provides an opportunity to be client focused. All these courses, with all relevant training materials have been made available at the Audit and Accounts Training Academy

¹INTOSAI, AFROSAI-e. Developing Pathways for the Professional Development of Auditors in a Supreme Audit Institution (SAI): Utilising the INTOSAI competency framework to develop public sector audit professionals in the most context-appropriate way

²Brown, R, A framework for continuing professional development for library and information services staff, 1992. [British Library, London \(United Kingdom\), Research and Development Dept](#)

to ensure their continuous availability to the staff of the SAI as and when required.

The professional development of auditors is central to the work of Supreme Audit Institutions (SAIs). In describing the role of SAIs, International Standards for Supreme Audit Institutions (ISSAI) 12 introduces public sector auditing "as championed by the Supreme Audit Institutions (SAIs), is an important factor in making a difference to the lives of citizens and represents an early milestone in INTOSAI's quest for further professionalization. One of the 12 principles of ISSAI 12 confirms the importance of ongoing learning and knowledge sharing as a means of ensuring that each SAI has (and continues to have) appropriately competent people to handle its unique mandate and therefore professional development becomes a core activity⁴.

However the success of any professional development program is linked directly to its relationship with rewards and promotions⁵. SAI has to strive to compensate staff in a manner that is fair, consistent and reflective of the effort in personal and professional growth. The CPD program being implemented by SAI Pakistan focuses on esteem and self-actualization as the primary

drivers of trainings where the trainers are expected to design and conduct courses as they are considered to be the most professional in that specific skill or knowledge area. However, Maslow's hierarchy of needs places self-actualization as the last point of the pyramid⁶. Unless these are linked to rewards that fulfills lower level needs. This includes steps such as linking professional development to lucrative/ high profile assignments, promotions and placements⁷.

Performance is used to refer to the individual's ability to be creative, innovative, inspiring, and take on challenging tasks to achieve organizational goals for the greater good. Therefore, audit authorities must create an environment where achieving high quality through professional performance is valued and supported. A learning organization embraces a culture of lifelong learning, enabling all employees to continually acquire and share knowledge⁸. SAI Pakistan has taken an initiative to become a learning organization through the CPD program with the hope that this initiative contributes to the objective of providing high-quality audit services as per our mandate.

⁴INTOSAI, AFROSAI-e. Developing Pathways for the Professional Development of Auditors in a Supreme Audit Institution (SAI): Utilising the INTOSAI competency framework to develop public sector audit professionals in the most context-appropriate way

⁵[Brown, R](#), A framework for continuing professional development for library and information services staff, 1992. [British Library, London \(United Kingdom\), Research and Development Dept](#)

⁶[Douglas T. Kenrick, Vidas Griskevicius, Steven L. Neuberg](#) and [Mark Schaller](#) Renovating the Pyramid of Needs: Contemporary Extensions Built Upon Ancient Foundations, [Perspect Psychol Sci](#). Author manuscript; available in PMC 2011 Aug 25.

⁷Human resource Strategy 2016. Department of the Auditor General of Pakistan

⁸Raymond A. Noe, Employee Training and Development, 2010, McGraw Hill