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## FOREWORD

This handbook has been designed to bring together in one easy to use resource all the key information that internal auditors in Government require in respect of professional training for the Government Internal Audit Certificate (GIAC) and continuing professional development (CPD).

It is intended to be used as a supplement to the Training Standard (5 ) of the Government Internal Audit Standards (GIAS). It is also intended to promote consistency in the application of training requirements across Government organisations and assist audit staff in understanding the training requirements placed upon them.

The Handbook is relevant to all audit staff, not just to trainees. As most government bodies and Agencies have moved to a system of competencies and personal development plans as part of their staff appraisal/development process we have reviewed and updated the competency framework to provide guidance on the skill levels staff should demonstrate at various levels of audit posts. We have also included guidance on CPD, which is essential to ensuring that individual audit staff, and audit units corporately, continue to comply with Standard 5.

I hope you find this handbook useful and constructive in the management of your professional training needs. An electronic version is available on the ACR GSI website [www.hm-treasury.gsi.gov.uk/fmra/ACR/acrhomepage.htm](http://www.hm-treasury.gsi.gov.uk/fmra/ACR/acrhomepage.htm)

CHRIS BUTLER

Assurance, Control and Risk

HM Treasury

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## **SECTION A: THE GOVERNMENT INTERNAL AUDIT CERTIFICATE**

*This section sets out the definition and requirements of the Government Internal Audit Certificate, including the normal qualification route and potential exemptions*

- A.1 Section 5.2.1 of the Government Internal Audit Standards (GIAS) states that GIAC *'is the minimum level of skill, knowledge and experience required of an internal auditor'* and section 5.2.3 *'that all internal audits must be led or supervised by internal auditors who hold GIAC'*. This does not mean that every member of the Internal Audit teams needs to be GIAC qualified. The HIA is responsible for determining the skills, knowledge and experience required by their team to achieve the unit's objectives and comply with the GIASs.
- A.2 The Government Internal Audit Certificate (GIAC) is a standard of competence in the discipline of professional internal auditing. It is set by HM Treasury (Assurance, Control and Risk team) in consultation with practitioners of the internal audit discipline (particularly Heads of Internal Audit [HIAs] in the Government sector). It is designed to demonstrate that holders of the designation are qualified through theoretical knowledge and practical experience to conduct internal audit work in Government organisations to the standards set out in the GIAS. This equates to the Auditor level set out in the Competency Framework attached at Annex 4 .
- A.3 HM Treasury has designed GIAC to reflect the knowledge

requirements specific to the effective performance of internal audit in the Government sector. The theoretical knowledge is attained by completion of a suitable professional audit qualification, typically the Institute of Internal Auditors' (IIA) Practitioner level qualification (PIIA) or equivalent alternative qualifications. Qualified auditors recruited to internal audit positions in Government will need to achieve the defined knowledge of the Government Environment as set out in of the Competency Framework (Section 6) before being awarded GIAC. The GIAC academic syllabus requirement is set out in Annex 3.

A.4 GIAC is awarded by the individual's HIA when they are satisfied that the student has satisfactorily achieved all the elements. HIAs are responsible for deciding whether to add any extra areas to any of the elements in order to tailor GIAC to meet the needs of their own organisation. HIAs should formally document the awarding of GIAC in an appropriate format.

A.5 Award of the GIAC designation requires achievement of three elements. All three elements must be satisfactorily completed before the GIAC designation is awarded. These elements are:-

A.5.1 Achievement of the academic standard. GIAC assessment will recognise any exemptions granted by the awarding institute against their examinations, provided the application for exemption is approved by the student's HIA; applications for exemptions must be endorsed by the HIA **before** submission to the awarding institute. Students

who do not qualify for any exemptions must gain passes in all the required exams and assignments for the qualification route being taken.

A.5.2 In addition, students will require satisfactory reports from their tuition provider to demonstrate that they have undertaken the relevant academic training to an appropriate standard, and have performed adequately in course tests/exams and assignments. HIA / DIATLOs are responsible for agreeing any reporting arrangements with their tuition provider(s); (B.6 sets out a suggested format).

A5.3 Demonstration of practical experience in the internal auditing discipline encompassing all the elements set out in the Student Logbook (Annex 5, Form Log 6). Departments may wish to expand Log 6 with a more detailed listing of practical experience shaped to their own specific procedures and practices, provided the experience requirement is not lessened or diluted. The work carried out in gaining the elements of experience must be certified as having been of satisfactory standard by the student's line manager. Work carried out in non-Government organisations or in other disciplines may be admissible for purposes of the experience log, at the discretion of individual HIAs. There is no prescribed minimum length of experience, but it is unlikely that an individual student would be able to gain the complete range of experience in less than twelve months. The key issue is the range and

quality of experience gained, not the length of experience.

A.5.4 Knowledge of the Government Environment as defined in section six of the Competency Framework at Annex 4. Achievement of this element may be demonstrated either by completion of tuition provider assignments to a satisfactory standard or by production of other evidence to the student=s HIA which proves that all syllabus elements have been met. See section B.7 for further guidance.

A.6 There are alternative qualifications and training routes. Once the HIA and student have agreed a particular route the academic requirement will be met by the achievement of that qualification. The HIA or Line Manager may wish to consult with the Assurance, Control and Risk (ACR) team in HM Treasury for an up to date evaluation of a qualification's status in relation to GIAC.

A.7 Where the IIA grants an exemption from a PIIA paper the exemption may be applied to GIAC at the discretion of the HIA. It is important to note that individual HIAs have the right to require students to take all five PIIA papers if they consider it beneficial.

A.8 The IIA offers exemption from all PIIA papers to CCAB qualified accountants. This does not allow them to use the PIIA designation, but allows them to move directly to the MIIA papers if they wish to obtain that qualification. Accordingly CCAB

accountants who meet the provisions of the Government Environment requirement **and** can demonstrate adequate practical experience of internal audit practice as defined in the Student Logbook to the satisfaction of the HIA will be certified as meeting the GIAC.

A.9 The HIA may decide that some internal audit staff do not need to train to GIAC level. They may however wish some internal audit staff to consider the IIA's Certificate in Internal Audit and Business Risk. The IIA Certificate does not meet the requirements of the GIAC qualification but may be a stepping stone towards the PIIA and GIAC. HIA's and individual staff will need to consider this when deciding their training and development plans. This may appeal to a variety of professionals including:

- internal audit staff who need a quick programme to get them up to speed with basic internal auditing practices,
- new recruits who do not expect internal auditing to be their long-term career,
- staff on short term secondment to internal auditing,
- staff in other audit-type functions that require a similar skill set to internal audit,
- audit 'technicians' who will not be required to carry out the full range of internal audit work,
- specialists who require foundation knowledge of internal audit work.

- A.10            GIAS states that all HIAs should be GIAC qualified. HIAs who have not previously been awarded GIAC may apply for formal award by writing to the ACR team enclosing a CV outlining details of academic achievement and relevant work experience.



## **SECTION B - TRAINING FOR GIAC**

*This section explains the practicalities of undertaking training for the GIAC, including issues of funding, and clarifies the expectations made of students*

- B.1 All students have to demonstrate achievement of a specified academic standard for GIAC. For students without other relevant qualifications this will normally be by the PIIA exams and skills modules. To qualify for admission to the PIIA exams students must undertake a course of tuition. This tuition is available through a number of tuition providers who have been accredited by the IIA (see Annex 1) and through the IIA=s own Distance Learning Scheme. Students should discuss with their Line Manager and/or HIA the most appropriate qualification and tuition provider for their circumstances.
- B.2 During the training period there is effectively an unwritten Acontract≅ between the employer, student, and tuition provider. Each party has duties and responsibilities towards the others in order to create a training environment that maximises the student=s opportunities for success and safeguards the employer=s investment in training. The following paragraphs set out the general nature of these duties and responsibilities.
- B.3 It is normal for departments to pay all basic tuition costs and associated expenses. If a student has to resit one or more papers, however, policy about what will be paid for in respect of

additional revision courses, exam admission fees, etc., will need to be agreed with their HIA. A department may pay a student's membership fees of the relevant professional body until such time as the student has gained their qualification. Because there is no rule in this matter, students should clarify with their own management exactly what will and will not be paid for. Students should note that if they incur any costs not reimbursed by their employers, they may be eligible for income tax relief.

- B.4 Departments generally allow a level of study leave in addition to attendance on formal training courses. Where study leave is given it is usually for completing course work assignments and revision for exams. The amount of study leave, and how it can be taken, is at the discretion of individual departments, so again the student should check locally what their entitlement would be. Students should note that whatever tuition route they select they will be required, in addition to formal tuition, to undertake further relevant reading and to write essays and undertake assignments.
- B.5 The normal experience is that the study effort required will make demands on the student's own time in addition to official time allowed. Because of this, individual students should consider carefully, before embarking on their study, how they plan to combine their study with their other commitments. Students are advised to talk this matter through with their local management, to take advice from colleagues with recent experience of studying, and to consider the impact of their study commitment on their personal and domestic lives. Equally employers should think

about how they can enable and facilitate training opportunities for staff taking into account the diverse needs of their staff.

- B.6 The effort that a student makes in their study is an intrinsic concern of their employer. Employers are making a significant investment in individuals whom they sponsor for training and they will consequently be concerned to gain assurance that students are applying themselves diligently to formal tuition and that there is evidence that students are making appropriate effort with their reading and assignment preparation. Tuition providers will normally prepare reports each term on each student providing factual information such as attendance record and marks gained in course tests and assignments. A student would normally expect the tuition provider to discuss any concerns with them prior to contacting their employer.
- B.7 The tuition required in respect of the Government Environment element will need to be identified on an individual basis. Students' local management will take into account the evidence available of prior knowledge in this area to determine in conjunction with the student what further training may be necessary. Employers may provide that training in-house or may opt for appropriate tuition available from the Civil Service College. As well as the requirements set out in the Competency Framework HIAs will also need to consider if any additional specific knowledge is required in terms of their own particular organisation.

- B.8 Award of the GIAC designation requires an appropriate level of practical experience (see Para A5.3) as does award of the IIA=s PIIA designation. Students and employers need to work collaboratively to ensure that appropriate practical experience is available across the defined range of activity. In cases where an employer has difficulty providing the full range of experience the experience requirement should not be reduced; short-term secondments to other organisations to provide the relevant element of experience should be considered (ACR team in HM Treasury will endeavour to assist with this in cases of particular difficulty).

## SECTION C - CONTINUING PROFESSIONAL DEVELOPMENT

*This section explains the ongoing requirements for training after award of GIAC and sets out criteria for identifying competence for advancement in the internal audit discipline*

- C.1 The GIAC is the **minimum** standard for the practice of internal audit in Government. All audit practitioners are encouraged to develop their skills and competencies beyond this standard. This may include gaining further formal qualification (for example, the Institute of Internal Auditors= MIIA qualification or an MSc in Internal Audit). Students wishing to follow these avenues should discuss the opportunities with their Head of Audit/ Line Manager.
- C.2 Regardless of progressing to higher levels of qualification all audit staff need to maintain their competence and standard in compliance with the GIAC as time progresses. This is necessary to ensure that the skills available continue to meet and match the audit need of Government organisations as new developments change the shape of the delivery of public service and new techniques and approaches enhance the role that internal audit plays in promoting efficient, effective and economic management and control of risk. The need to maintain professional competence is set out in GIAS Standard 5.

- C.3            Consequently training and development does not end with the award of GIAC. All audit staff should have an ongoing professional training plan. In many organisations personal development plans (PDP), or similar techniques, are a normal part of the staff appraisal and development process and it will be appropriate for continuing professional development (CPD) to be dealt with in the context of a PDP. Although not prescriptive, ACR would recommend that all qualified audit staff should make provision for between 5 to 10 days CPD activity each year. It is expected that at least some of this development time will be spent in the workplace participating in challenging developmental activities.
- C.4            CPD may include any of the following activities;
- i.            Formal audit training courses (particularly those which address new developments in the practice of internal auditing)
  - ii.           Attending audit conferences/seminars
  - iii.           Taking training in activities associated specifically with the operations of the employer in order to enhance ability to audit these operations
  - iv.           Developing additional skills relevant to the work of the audit unit (eg – accountancy, project management, risk management etc)
  - v.            Taking further/more advanced audit qualifications
  - vi.           Learning new skills through the normal working practices of the audit unit
  - vii.           Researching and producing articles for professional publications

- C.5 For staff who wish to progress to more senior audit positions, CPD should be planned not only to maintain, but also to improve and broaden competency. Formal CPD will need to be combined with an appropriate programme of activity to gain a suitable breadth of practical experience under appropriate supervision. Guidance is provided at Annex 4 on a range of professional competencies; the framework is provided as a model for use along side departments own competency framework. The Competency Framework sets out the minimum standard expected at each level. In practice HIAs may find it necessary to add specific requirements to one or more of the sections and at the different levels of the competencies framework to fit their own organisation=s requirements.
- C.6 To provide for the recording of CPD activity the Student Logbook includes a page for recording CPD activity (Annex 5, Log 2B). This should be maintained by all internal auditors (including HIAs) as it will be of benefit, especially when applying for posts, to be able to demonstrate a record of CPD and development through the competency levels. In addition, **all** internal auditors should maintain the log sheets (Annex 5, form Log 4) for practical experience to demonstrate activities undertaken which contribute to their progression through the competency levels; this can help form a particularly useful and detailed CV.
- C.7 Any arrangements for quality assurance reviews, either internal or external (in accordance with GIAS Standard 5) should ideally include CPD within the scope of the issues to be reviewed.

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## ANNEX 1

### IIA ACCREDITED TUITION PROVIDERS

*For details about the services and facilities offered by each tuition provider, please make contact with them directly.*

#### **Institute of Internal Auditors Distance Learning Programme**

13 Abbeville Mews  
88 Clapham Park Road  
London SW4 7BX

**Contact:** Deirdre Noonan – Distance Learning Officer

**Email:** [deirdre.noonan@iia.org.uk](mailto:deirdre.noonan@iia.org.uk)

**Tel:** 020 7819 1927

**Fax:** 020 7978 2492

**Course Type** – Distance learning study texts with tutorial assistance and full revision course available for the entire Practitioner level.

Educational study texts and two-day support courses available for each Professional Level paper.

#### **University of Central England Business School**

Perry Barr  
Birmingham  
B42 2SU

**Contact:** Professor Abbas Syed – Course Director

**Email:** [abbas.syed@uce.ac.uk](mailto:abbas.syed@uce.ac.uk)

**Tel:** 0121 331 6404

**Contact:** Angela Reynolds – course Administrator

**Email:** [angela.reynolds@uce.ac.uk](mailto:angela.reynolds@uce.ac.uk)

**Tel:** 0121 331 6292

**Course Types** – Block release: full-time: part-time and distance learning courses available. MSc and Postgraduate Diploma in Internal Auditing courses are also available which can be taken concurrently with Practitioner and Professional level studies.



**The City University Business School**

Centre for Internal Auditing  
Frobisher Crescent  
London EC2Y 8HB

**Contact:** Rob Melville

**Email:** W.R.Melville@city.ac.uk

**Tel:** 020 7040 8646

**Course Types** - Postgraduate diploma in Internal Auditing and Management. MSc in Internal Auditing and Management, that helps students prepare for PIIA, MIIA and QICA

**Centre for Management and Policy Studies**

Specialist Development Group  
Sunningdale Park  
Ascot  
Berkshire

**Contact** Spencer Pickett – Course Director

**E mail:** [spencer.pickett@college-cmps.gsi.gov.uk](mailto:spencer.pickett@college-cmps.gsi.gov.uk)

**Tel:** 01344 6343467

**Contact:** Pamela Huntley-Blecken - Course Administration

**E mail:** [pamela.huntley-blecken@college-cmps.gsi.gov.uk](mailto:pamela.huntley-blecken@college-cmps.gsi.gov.uk)

**Tel:** 01344 634837

**Course Types** – A modular programme of courses leading to the IIA Practitioner and Professional qualifications. Revision courses are also available in the run up to the IIA exams in June and November.

**London Metropolitan University**

Department of Accountancy & Financial Services  
84 Moorgate  
London EC2M 6SQ

**Contact:** Frank Madray – Course Director

**E mail:** [f.madray@londonmet.ac.uk](mailto:f.madray@londonmet.ac.uk)

**Tel:** 020 7320 1609

**Contact:** Christine Richardson – Course Admin

**E mail:** [c.Richardson@londonmet.ac.uk](mailto:c.Richardson@londonmet.ac.uk)

**Tel:** 020 7320 1597

**Fax:** 020 7320 1557

**Course Types** – MSc in Computer Systems Auditing which has been developed in partnership with the IIA and builds on its Qualification in Computer Auditing (QiCA). QICA and CISA are also available as separate courses. Part time course runs over one to two years.

**PricewaterhouseCoopers LLP**

Waterfront Plaza  
8 Laganbank Road  
Belfast BT1 3LR

**Contact:** Patrick Gallen – Course Director

**E mail:** [patrick.gallen@uk.pwc.com](mailto:patrick.gallen@uk.pwc.com)

**Tel:** 028 9041 5180

**Contact:** Helen Fee – Course Manager

**E mail:** [helen.m.fee@uk.pwc.com](mailto:helen.m.fee@uk.pwc.com)

**Tel:** 028 9041 5117

**Fax:** 028 9041 5600

**Course Types** – A modular programme of courses developed in partnership with the IIA leading to the IIA's Professional qualification (MIIA).

*These are the current tuition providers at the time of publishing. Please check on the ACR web site for any changes.*

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ANNEX 2

**THE GIAC SYLLABUS**

**PRINCIPLES OF INTERNAL AUDITING: THEORY**

GLOSSARY OF TERMS USED

|                 |                               |
|-----------------|-------------------------------|
| Command -       | Comprehensive knowledge       |
| Understanding - | Substantial knowledge         |
| Appreciation -  | Knowledge of basic principles |

|  |
|--|
| <p>A <b>command</b> of the theory underlying the professional practice of internal auditing and its history, standards and scope in government organisations; the nature, role and purpose of internal audit within government departments, agencies and NDPBs, and the requirement for independence and objectivity; the relationship between internal audit and auditees, management, other consultancy, inspection and review agencies and external audit and audit committees and other stakeholders</p>   |
| <p>A <b>command</b> of the principles of risk management, control and corporate governance; performance measurement and the internal auditor's concern with it, including use of control risk self assessment (CRSA). Systems design and the place of controls in systems; hierarchies and inter-relationship of controls; the nature of the internal control system of an organisation; control evaluation (including use of benchmarking and CSA/CRSA); types of control in practice, and their resource implications; process re-engineering; change management &amp; market testing issues; fraud risks.</p> |
| <p>A <b>command</b> of the theory of risk based audit as defined in the GIAS.</p>  |
| <p>An <b>understanding</b> of other audit approaches, including systems audit, operational audit, contracts audit, auditing outsourced activities, value for money, financial audit, and environmental audit.</p>  |
| <p>An <b>understanding</b> of the need for due care, professional proficiency and ethical propriety; the law and the internal auditor, and information as evidence; the role of the internal auditor in relation to fraud and corruption (including helpdesks / hotlines and whistle blowing).</p>   |
| <p>An <b>appreciation</b> of the principles of internal audit management, including planning, policies, and procedures, resource control and quality assurance.</p>  |

## PRINCIPALS OF INTERNAL AUDITING: PRACTICE

### GLOSSARY OF TERMS USED

- Proficiency - Comprehensive understanding and experience  
Competence - Good knowledge and experience  
Basic facility - Good knowledge but limited experience

**Proficiency** in the application of internal audit techniques, including process diagrams, risk and control matrices, analytical techniques, CAATs, sampling methods and risk assessment techniques.

**Competence** in the performance of risk based audit according to the principles laid down in GIAS.

**Basic facility** in audit management, including assignment management, risk based planning, audit preparation, monitoring results procedures and practices.

**Basic facility** of the appropriate circumstances where consulting services may be provided by internal audit.

### MANAGEMENT

**Basic facility** in the theory and principles of management, including planning, organisation, motivation, behavioural considerations, negotiating skills and techniques of persuasion, communication, monitoring and corrective action, problem-solving, decision-making, quality assurance, project management and the management of change. Development of staff and unit skills.

**Basic facility** and understanding of financial accounts and management accounting.

**Basic facility** in management skills and supervisory duties including planning, problem-solving, decision-making, monitoring, financial and budgetary control systems, implementing change, and development of staff resources.

### BASIC COMPUTING AND BUSINESS INFORMATION SYSTEMS AUDITING

**Basic Facility** and understanding of the concepts, practices and terminology of computer installations, systems and the IS environment.

**Basic Facility** and understanding of the nature of controls in computer systems and applications.

**Basic Facility** and understanding of control and systems design in applications, the internal auditor's role in the development of computerised systems, the law in relation to data processing, and computer abuse.

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## ANNEX 3

### GIAC Academic Requirement

At the time of publication the qualifications that are deemed as meeting the academic requirements for GIAC are set out below.

| <b>Awarding body</b>  | <b>Qualification</b>                   |
|---|--|
| Institute of Internal Auditors (IIA)                            | Practitioner Level – PIIA              |
| Chartered Institute of Public Finance and Accountancy (NI)      | Diploma in Public Audit (DPA)          |
| Association of Chartered Certified Accountants (ACCA)           | Professional level                     |
| Chartered Institute of Management Accountants (CIMA)            | CIMA                                   |
| Institute of Chartered Accountants in England and Wales (ICAEW) | ACA                                    |
| Chartered Institute of Public Finance and Accountancy (CIPFA)   | Professional Accountancy Qualification |

## ANNEX 4

# COMPETENCY FRAME WORK FOR INTERNAL AUDIT STAFF IN CENTRAL GOVERNMENT ORGANISATIONS

These competencies are intended for use by internal audit teams as a guide to the various competencies that would be expected of audit staff at various levels in the internal audit team. They should be used in conjunction with the organisation's own set of core competencies to clarify the specialist competencies expected of internal audit staff. The competencies can be used as an aid to identify areas where internal audit staff may need to develop their skills, knowledge or experience in order to meet the requirements of their current level and in preparation for progress to the next level. The structure of the framework is based on the premise that at Senior Auditor and Head of Internal Audit (HIA) levels, individuals would generally be expected to comply with all the requirements of the previous level(s).

These competencies should be used both for the development of trainee auditors and for the Continuing Professional Development (CPD) of more experienced internal audit staff. The experience log maintained by all audit staff should demonstrate how the competency has been gained or developed through practical application in the working environment.

**1. Risk, Control And Governance** – understands the risk, control and governance of the organisation and its relationship to the work of Internal Audit

| <b>Auditor</b>   | <b>Senior Auditor</b>   | <b>Head of Internal Audit</b>  |
|--|---|--|
| <ul style="list-style-type: none"> <li>- Understands the principles of risk management, risk appraisal and risk assessment</li> <li>- Is aware of and understands the organisations risk management strategy</li> <li>- Is aware of and understands the organisations attitude to risk</li> <li>- Understands the organisations high-level objectives, how these are funded and key related risks</li> <li>- Identifies and understands how operational objectives link into the higher-level objectives</li> <li>- Understands the specific risks related to operational activities and is able to contribute to the review of risks in operational areas</li> <li>- Is able to relate the organisations risk appetite to the application of controls in operational areas and carry out appropriate reviews</li> <li>- Understands the principles of performance measurement and output targets designed to deliver objectives i.e. Public Service Agreements (PSA)/Service Delivery Agreements (SDA)</li> </ul> | <ul style="list-style-type: none"> <li>- Is aware of and understands the appropriate governance arrangements for government organisations</li> <li>- Is able to review and provide advice and recommendations on the implementation of the risk management strategy</li> <li>- Understands the organisations key risks and how these might be reviewed</li> <li>- Is able to review the effectiveness of the control procedures and report accordingly to management</li> <li>- Has knowledge and experience of appropriate methods of managing common risks</li> <li>- Has wide experience of suitable controls to manage risks in a variety of relevant environments</li> </ul> | <ul style="list-style-type: none"> <li>- Is aware of the various forms of assurance to be provide to the Accounting Officer (AO) to support the Statement of Internal Control (SIC)</li> <li>- Is able to lead reviews of the risk management strategy and provides advice to senior management on the effectiveness of the framework and its implementation.</li> <li>- Is able to lead performance reviews and reviews of corporate governance arrangements</li> </ul> |



**2. Audit Strategy – is implemented in order to achieve the objectives of the Internal Audit team**

| <b>Auditor</b>  | <b>Senior Auditor</b>  | <b>Head of Internal Audit</b>  |
|---|--|--|
| <ul style="list-style-type: none"> <li>- Is aware of and understands the main aspects of the long-term audit strategy</li> <li>- Is able to contribute to the planning of specific audit assignments</li> <li>- Can define audit objectives for agreement with senior audit staff</li> <li>- Is able to draft audit plans including details of time and costs</li> <li>- Can produce the scope for an individual audit assignment for review by senior audit staff</li> <li>- Is aware of the resources available, including their own time, and is able to utilise them to best effect with guidance from senior audit staff.</li> </ul> | <ul style="list-style-type: none"> <li>- Uses appropriate knowledge and experience to contribute to the development of the audit strategy</li> <li>- Uses knowledge and experience to suggest refinements to audit plans and strategy</li> <li>- Understands the priority of specific assignments within the audit strategy</li> <li>- Is able to manage several audit assignments to ensure objectives are achieved</li> <li>- Is able to identify the skills and experience needed for specific audits</li> <li>- Is able to produce the audit plans for specific assignments</li> <li>- Is able to identify and agree the scope for individual audit assignments</li> </ul> | <ul style="list-style-type: none"> <li>- Is able to identify and agree the scope of the Internal Audit team and any limitations placed upon them with the Audit Committee</li> <li>- Uses appropriate knowledge and experience to determine the Internal Audit strategy to support and aid the achievement of the organisational objectives</li> <li>- Is able to review the strategy and explore alternative strategies to reflect changes in the audit environment</li> <li>- Ensures that appropriate methodologies are used to implement the audit strategy</li> <li>- Is able to identify and request the appropriate resources required to achieve the audit strategy</li> <li>- Is able to identify and advise the Accounting Officer of any restrictions of audit coverage and any residual risk that may exist due to lack of resources in the Internal Audit team</li> <li>- Is able to manage the use of resources to ensure that the audit strategy objectives are achieved.</li> <li>- Is able to manage the use of resources to ensure the periodic audit assignments are achieved</li> <li>- Uses appropriate knowledge to evaluate and sign off the audit teams short terms plans</li> <li>- Is able to identify and implement improvements in work practices</li> </ul> |

**3. Management of Audits - uses professional skills to achieve audit objectives**

Deleted: ¶

| <b>Auditor</b>   | <b>Senior Auditor</b>   | <b>Head of Internal Audit</b>  |
|--|---|--|
| <ul style="list-style-type: none"> <li>- Has appropriate knowledge and skills to achieve specific audit objectives</li> <li>- Is able to identify the key individuals when conducting an audit</li> <li>- Is able to:                             <ul style="list-style-type: none"> <li>o appraise the system to identify key risks</li> <li>o select and implement audit tests</li> <li>o evaluate controls and identify weaknesses</li> <li>o maintain appropriate documentary records for each audit assignment</li> <li>o carry out post audit reviews on a systematic basis</li> <li>o contribute to the development of the action plan and timetable for implementing recommendations</li> </ul> </li> <li>- Ensures that own input to audit activities is correctly managed, allocated and recorded over the various aspects of an audit assignment</li> </ul> | <ul style="list-style-type: none"> <li>- Is able to clarify risks with the audit sponsor prior to the audit</li> <li>- Ensures that assignment budgets are adequately managed, individually and in total and ensures that junior staff adhere to their budgets, use their time appropriately and complete audit assignment by the target dates</li> <li>- Is able to determine the mix of skills and experience required for individual audit assignments</li> <li>- Is able to determine the overall test strategy and that it is prioritised in accordance with the audit plan</li> <li>- Is able to review the evidence presented to support findings</li> <li>- Understands the need to agree the action plan and timetable for implementing recommendations</li> <li>- Records agreed follow-up action for future audits</li> <li>- Is able to identify and take appropriate action regarding recommendations not agreed</li> <li>- Can identify areas for improvement in the next audit of the area</li> <li>- Is able to identify the training and development needs of audit staff and agree appropriate plans with the Head of Internal Audit</li> </ul> | <ul style="list-style-type: none"> <li>- Has extensive experience and knowledge, which is used to guide and focus the work of the Internal Audit unit</li> <li>- Has appropriate experience and knowledge to establish local policies and procedures for the management of assignment work</li> <li>- Establishes quality control procedures to ensure audit work is carried out to comply with the Government Internal Audit Standards (GIAS)</li> <li>- Clarifies roles and responsibilities with the audit sponsor</li> <li>- Is able to agree the objectives, approach and reporting requirements with clients</li> <li>- Is able to evaluate and improve audit operations</li> <li>- Incorporates audit findings and management action into future audit plans</li> <li>- Is able to negotiate action plans etc with senior staff from the organisation or the Accounting Officer</li> <li>- Ensures that the risk register is updated to take account of findings and action taken</li> <li>- Is able to manage the overall professional development of the staff in the audit unit</li> </ul> |

**4. Audit Reporting – communicates key findings and recommendations at the appropriate time**

| <b><i>Auditor</i></b>   | <b><i>Senior Auditor</i></b>  | <b><i>Head of Internal Audit</i></b>   |
|---|---|--|
| <ul style="list-style-type: none"> <li>- Understands the corporate governance requirements regarding the organisations Statement of Internal Control (SIC) and the role of the Annual Audit report in the assurance process</li> <li>- Is able to provide data and analysis for the annual report</li> <li>- Develops an appropriate style of writing for audit reports</li> <li>- Is able to prepare an audit report to specified standards and format with the need for minimal editorial changes</li> <li>- Provides clear and sufficient evidence to support recommendations and audit opinion</li> <li>- Recommendations are clearly identified</li> <li>- Ensures that critical findings are reported immediately to the project sponsor</li> </ul> | <ul style="list-style-type: none"> <li>- Is able to provide information and analysis contributing to the annual audit opinion</li> <li>- Is able to review audit reports to contextualise findings and recommendations in relation to wider related risk, control and governance issues</li> <li>- Is able to identify the format and type of reporting medium most appropriate for the audit assignment</li> <li>- Is able to review audit findings and recommendations</li> <li>- Ensures that the audit opinion is based upon appropriate audit evidence</li> <li>- Signs off audit reports</li> </ul> | <ul style="list-style-type: none"> <li>- Is able to incorporate the conclusions of individual audits, according to their significance and materiality, into an evidenced and sustainable opinion on the whole system of risk, control and governance.</li> <li>- Is able to produce the Annual Audit report stating an opinion on the organisations risk, control and governance to the Accounting Officer and Audit Committee</li> <li>- Sets the standards and procedures for reporting audit findings</li> <li>- Is able to present audit reports and findings to the Audit Committee</li> <li>- Ensures that critical findings, and those of a more general nature, are promptly reported to senior staff and/or the accounting officer, as appropriate</li> </ul> |

**5. Communication** – ensures that communication is clear and understood

| <i><b>Auditor</b></i>  | <i><b>Senior Auditor</b></i>  | <i><b>Head of Internal Audit</b></i>   |
|--|---|--|
| <ul style="list-style-type: none"> <li>- Is able to establish and maintain good working relationships with staff at all levels across the organisation</li> <li>- Is able to conduct and record interviews with staff at all levels</li> <li>- Understands the benefits of using meetings to present audit finding direct to managers</li> <li>- Is able to contribute to the facilitation of workshops and make presentations</li> <li>- Understands when negotiation with management is appropriate in order to ensure key findings and follow up action are agreed</li> <li>- Completes appropriate audit working papers and documentation to ensure a complete record is maintained</li> </ul> | <ul style="list-style-type: none"> <li>- Is able to identify the sponsors expectations for each audit assignment</li> <li>- Is able to negotiate with management to ensure that audit recommendations are agreed and acted upon</li> <li>- Is able to assist auditors to develop appropriate means and styles of communication</li> </ul> | <ul style="list-style-type: none"> <li>- Is able to make effective presentations to the Audit Committee and senior managers</li> <li>- Is able to negotiate key audit findings with the Audit Committee and senior management</li> </ul> |

**6. Government Environment – understands the particular factors and issues relating to central government**

| <i><b>Auditor</b></i>  | <i><b>Senior Auditor</b></i>  | <i><b>Head of Internal Audit</b></i>  |
|--|---|---|
| <ul style="list-style-type: none"> <li>- Understands the principles of the constitution including the roles of Parliament, the Cabinet, Ministers and officials</li> <li>- Understands the principles of the policy making process</li> <li>- Understands the process of enacting legislation.</li> <li>- Understands the impact on departmental business of significant legislation e.g. Data Protection Act; Freedom Of Information Act and Human Resource legislation</li> <li>- Understands the principles of Government Financial Framework:               <ul style="list-style-type: none"> <li>o Resource Accounts/Financial Statement</li> <li>o Resource Estimates/Resource Budgets</li> <li>o Spending Review process</li> <li>o Role of Treasury</li> <li>o Principles of Propriety and Regularity</li> <li>o Governments cash handling/management systems</li> <li>o Departmental Investment Strategy</li> </ul> </li> <li>- Understands the role of National Audit Office (NAO) and the Public Accounts Committee (PAC) in terms of Government accountability and regularity and propriety</li> <li>- Understands Corporate Governance issues in the public sector</li> <li>- Understands the impact of central government developments and the significant/key target dates</li> <li>- Understands the development of equal opportunities and the ethical requirements in the public sector</li> <li>- Applies understanding to audit assignments.</li> </ul> | <ul style="list-style-type: none"> <li>- Understands the role of the European Union (EU) and the relationship with Government</li> <li>- Understands the impact of business decisions on Spending Reviews/ Budgets and Resource Accounting</li> <li>- Understands the principles of the Private Finance Initiative (PFI); Public Private Partnerships (PPP) and EU Finance (if appropriate)</li> <li>- Understands the principles of the Civil Service Reform Programme</li> <li>- Applies understanding in the management of a range of audit assignments</li> </ul> | <ul style="list-style-type: none"> <li>- Applies understanding in developing and implementing the audit strategy</li> </ul> |

## ANNEX 5

### THE TRAINING AND EXPERIENCE LOGBOOK

1. This annex provides a model format of log book which may be adapted or supplemented by Departments to suit their specific needs. **However, forms Log 1, Log 2, Log 2a, Log 3, and Log 4 should not be amended as they are designed to be used by students as replacements for the Institutes equivalent numbered forms in submissions to the IIA for award of PIIA / MIIA / QiCA; the format of these forms has been agreed with the Institute.** This obviates the need for students to maintain two log books. HIAs may also wish to add extra sheets such as formal records of progress reviews.
2. In addition to the specified forms to be completed, students studying for award of GIAC should include Tuition Providers Reports, exam results letters, and any letters granting IIA exam exemptions as annexes to their log book.
3. Students who register to study for an IIA qualification will also receive an IIA Logbook which will provide them with detailed guidance on the relevant Institute expectations.
4. Audit staff who are already GIAC qualified should use the log book to record their Continuing Professional Development activity. They need not complete the rest of the log book retrospectively, although some may find that to do so would offer a useful format of CV presentation.
5. Forms may be photocopied as necessary, or electronic versions can be obtained from the ACR GSI website at

[www.hm-treasury.gsi.gov.uk/fmra/ACR/acrpublishations.htm](http://www.hm-treasury.gsi.gov.uk/fmra/ACR/acrpublishations.htm)

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**RECORD OF EMPLOYMENT - LOG 1**

**NAME:**

| DATES |    |          |  |
|-------|----|----------|--|
| FROM  | TO | POSITION | COMPANY/ORGANISATION<br>DESCRIPTION OF MAIN DUTIES |
|       |    |          |  |

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**RECORD OF TRAINING UNDERTAKEN - LOG 2  
BASIC QUALIFICATION**

**NAME**

**AUDIT SPECIFIC**

| TITLE OF COURSE | DATES | PROVIDER | DESCRIPTION OF SCOPE/CONTENT OF COURSE |
|-----------------|-------|----------|--|
|                 |       |          |  |

**GENERAL DEVELOPMENT**

| TITLE OF COURSE | DATES | PROVIDER | DESCRIPTION OF SCOPE/CONTENT OF COURSE |
|-----------------|-------|----------|--|
|                 |       |          |  |



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**RECORD OF TRAINING UNDERTAKEN - LOG 2A  
SPECIALIST DEVELOPMENT/QUALIFICATION (EG - QICA)**

NAME

**AUDIT SPECIAL**

| TITLE OF COURSE | DATES | PROVIDER | DESCRIPTION OF SCOPE/CONTENT OF COURSE |
|-----------------|-------|----------|--|
|                 |       |          |  |

**GENERAL DEVELOPMENT**

| TITLE OF COURSE | DATES | PROVIDER | DESCRIPTION OF SCOPE/CONTENT OF COURSE |
|-----------------|-------|----------|--|
|                 |       |          |  |

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**RECORD OF CPD ACTIVITY - LOG 2B**

NAME

AUDIT SPECIFIC

| COURSE/ACTIVITY | DATES | PROVIDER | DESCRIPTION / SCOPE |
|-----------------|-------|----------|---------------------|
|                 |       |          |                     |

GENERAL DEVELOPMENT

| COURSE / ACTIVITY | DATES | PROVIDER | DESCRIPTION / SCOPE |
|-------------------|-------|----------|---------------------|
|                   |       |          |                     |

**SUMMARY OF PRACTICAL EXPERIENCE - LOG 3**

NAME:

FOR EACH ENTRY ON THIS SHEET A FORM LOG 4 SHOULD BE COMPLETED

| DATE |    | AUDIT/ASSIGNMENT TITLE |
|------|----|------------------------|
| FROM | TO |                        |
|      |    |                        |

**CONFIRMATION**

I confirm this is an accurate summary of work performed in this period

POSITION IN ORGANISATION

ORGANISATION

SIGNATURE

NAME IN BLOCKS \_\_\_\_\_ DATE

---

**DETAILED RECORD OF PRACTICAL EXPERIENCE - LOG 4**

**Name:**

|                                    |    |                                    |
|------------------------------------|----|------------------------------------|
| AUDIT TITLE                        |    |                                    |
| PARTICIPATION / ROLE IN TEAM       |    |                                    |
| DATE: FROM                         | TO | STAFF DAYS OF PERSONAL INVOLVEMENT |
| NO. OF MEMBERS IN AUDIT TEAM       |    |                                    |
| BRIEF DESCRIPTION OF PARTICIPATION |    |                                    |

CONFIRMATION

I confirm this is an accurate summary of work performed in this period

POSITION IN ORGANISATION

ORGANISATION

SIGNATURE

NAME IN BLOCKS \_\_\_\_\_ DATE

**RECORD OF ACADEMIC ACHIEVEMENT - LOG 5**

**NAME:**

*ALL COURSE TESTS, ASSIGNMENTS, AND EXAM RESULTS SHOULD BE RECORDED ON THIS FORM*

| DATE | PAPER/TEST/ASSIGNMENT | RESULT |
|------|-----------------------|--------|
|      |                       |        |

**PRACTICAL EXPERIENCE : LOG 6**

| ACTIVITY   | ASSIGNMENT(S) IN WHICH EXPERIENCE GAINED | X-REF TO RELEVANT LOG 4 FORMS |
|--|--|-------------------------------|
| <b>AUDIT TECHNIQUES : For GIAC Auditor level competency all activities in this section need to be completed</b>  |  |                               |
| Proficiency in system documentation methods including process diagrams   |  |                               |
| Proficiency in the use of a risk and control matrix  |  |                               |
| Proficiency in the design a risk and control matrix  |  |                               |
| Proficiency in the use of analytical techniques  |  |                               |
| Proficiency in the use of sampling and testing methods   |  |                               |
| <b>AUDIT PERFORMANCE : For GIAC Auditor level competency all activities in this section need to be completed</b> |  |                               |
| Competence in preparation of audit documentation/files   |  |                               |
| Competence in the planning and conduct of interviews with all levels of staff                                    |  |                               |
| Competence in recording objectives, activities, risks and controls   |  |                               |
| Competence in evaluation of risks and related controls   |  |                               |
| Competence in testing of controls  |  |                               |
| Competence in evaluating information to derive audit conclusions/opinion to determine the assurance given.       |  |                               |
| Competence in developing audit recommendations   |  |                               |

| ACTIVITY   | ASSIGNMENT(S) IN WHICH EXPERIENCE GAINED | X-REF TO RELEVANT LOG 4 FORMS |
|--|--|-------------------------------|
| Competence in preparing and presenting audit reports   |  |                               |
| <b>ASSIGNMENT MANAGEMENT : For GIAC Auditor level competency all activities in this section need to be completed</b>   |  |                               |
| Competence in assignment planning  |  |                               |
| Competence in negotiating scope of audits and implementation of recommendations with clients   |  |                               |
| Competence in carrying out a follow up review  |  |                               |
| <b>AUDIT MANAGEMENT : For GIAC Auditor level competency, students need to have made a major contribution to at least two of the activities in this section</b> |  |                               |
| Development of periodic work plans designed to implement the audit strategy  |  |                               |
| Drafting of the Annual Audit Report  |  |                               |
| Undertaking an internal or external quality review of an audit function  |  |                               |
| Developing or updated an audit manual  |  |                               |

| ACTIVITY  | ASSIGNMENT(S) IN WHICH EXPERIENCE GAINED | X-REF TO RELEVANT LOG 4 FORMS |
|---|--|-------------------------------|
| <b>COMPUTER AUDIT : For GIAC Auditor level competency, students need to have made a major contribution to at least one of the activities in this section.</b> |  |                               |
| Participate in an audit team reviewing a key Management Information System.   |  |                               |
| Demonstrate ability to encompass the use of PCs as part of a system being audited as a non-IT specialist audit  |  |                               |
| Participated in an audit of the use of Internet for e-commerce or other business activities.  |  |                               |
| <b>OTHER ACTIVITY : For GIAC Auditor level competency, students need to have made a major contribution to at least two of the activities in this section.</b> |  |                               |
| Participate in a Systems Development Audit  |  |                               |
| Contribute in the development of a Control and Risk self Assessment process   |  |                               |
| Contribute to the development of IT systems designed to automate the audit process  |  |                               |
| Contribute to a fraud investigation or to the development of an anti-fraud policy   |  |                               |
| Contribute to the development of an audit approach to a new area of work (eg audit of Private Finance)  |  |                               |



## **ANNEX 6**

### **FREQUENTLY ASKED QUESTIONS**

*Who should sign off the log sheets?*

It should be signed by an individual senior to the trainee who has had direct contact with the work that is being recorded. In some units the HIA may designate one person to act as a Training Officer and require them to review/ sign off log books for all students in order to provide an overview of the range and quality of the work being carried out.

*Do all IA staff have to be GIAC qualified?*

No. The Government Internal Audit Standards (GIASs) 5.2.1 states that GIAC *is the minimum level of skill, knowledge and experience required of an internal auditor* and at 5.2.3 *that all internal audits must be led or supervised by internal auditors who hold GIAC*. This does not mean that every member of the Internal Audit teams needs to be GIAC qualified. The HIA is responsible for determining the skills, knowledge and experience required by their team to achieve the unit's objectives. This may include appointing specialists such as Accountants, Lawyers, etc to provide specific expertise within the internal audit unit.

*Who decides on exam exemptions?*

This is the responsibility of the awarding body and its arrangements for granting exemptions in the qualification being studied. However the HIA is responsible for determining which, if any, exemptions a trainee may apply for and is entitled to insist that a trainee take all the required exams.

*What practical experience do I have to gain for GIAC?*

An outline of the range of practical experience required by trainees is set out in Log 6. This sets the minimum range of experience required. HIAs are free to add to this framework should they decide that their staff need addition experience in specific areas.

*Is a certificate issued on the award of GIAC?*

There is no formal certificate issued by ACR. Each HIA is responsible for determining how they wish to formally record the awarding of GIAC; this may be as a letter or a certificate of their own design.

*What about Internal Auditors joining from the private sector?*

Qualified Internal Auditors, and others with relevant professional qualifications, joining from the private sector will need to gain the required Government Environment knowledge before they can be awarded GIAC by their HIA. New HIAs joining from the private sector should contact the ACR team regarding being awarded GIAC.

*Do I have to complete separate logs books for GIAC and IIA qualifications?*

No, the student log book is set out at Annex 5. The format of the log book was agreed with the Institute of Internal Auditors - United Kingdom (IIA - UK) in 1998 and trainees are able to use a single format of the log book for both IIA and GIAC purposes

*Who can I contact for further details or clarification about any aspect of GIAC?*

Contact the ACR team in HM Treasury (0207 270 5174).