Competency
Framework
For
Audit Officer

Developed by:

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Abbreviations/Glossary

ADM	:	Audit Design Matrix
ARMS	:	Audit Resource Management System
AFM	:	Audit Finding Matrix
CA	:	Compliance Audit
CAA	:	Committee of Accounts and Audit
CAATs	:	Computer Assisted Audit Techniques or Tools
CBF	:	Competency-Based Framework
CDI	:	Continuous Development Initiative
CPA	:	Certified Public Accountancy
DAG	:	Deputy Auditor General
e-PEMs	:	electronic Public Expenditure Management System
ESC	:	Executive and Specialist Category
FA	:	Financial Audit
FITI	:	Financial Institutions Training Institute Ltd.
FS	:	Financial Statements
FUCD	:	Follow-up & Clearance Division
HR	:	Human Resource
IC	:	Internal Control
IDEA	:	Interactive Data Extraction and Analysis
INTOSAI	:	International Organization of Supreme Audit Institutions
ISSAIs	:	International Standards for Supreme Audit Institutions
IT	:	Information Technology
KNIME	:	Konstanz Information Miner
KSA	:	Knowledge, Skills and Abilities
MBA	:	Master in Business Administration
MCOT	:	Material Classes of Transaction
PA	:	Performance Audit
PDC	:	Professional Development Centre
PFMS	:	Public Financial Management System
PMC	:	Professional & Management Category
QA	:	Quality Assurance
RAA	:	Royal Audit Authority
RCSC	:	Royal Civil Service Commission
ROMM	:	Risk of material misstatements
RQAD	:	Research & Quality Assurance Division
SAIs	:	Supreme Audit Institutions
SDG	:	Sustainable Development Goal
SQL	:	Structured Query Language
SSC	:	Supervisory & Support Category
TNA	:	Training Needs Analysis
VFM	:	Value for Money

FOREWORD

The Royal Audit Authority (RAA), as a constitutional body, is mandated to audit and report on the economy, efficiency and effectiveness in the use of public resources. In order to deliver this important mandate, the need of having competent workforce with relevant set of knowledge and skills was recognised right from the beginning. Accordingly, several capacity development interventions were made to build auditors' capacities.

The RAA Competency Based Framework (CBF) developed with guidance and financial support from the Royal Civil Service Commission (RCSC) will further improve the competency of the auditors in identifying right trainings aimed at different level of auditors in the RAA. The CBF sets out basic competency requirements for an auditor in the three types of audits namely Financial Audit, Performance Audit and Compliance Audit. It is anticipated to maintain a level of competence to meet the profession's technical and ethical standards and provide valuable knowledge to the audit officer. It will also encourage continuous learning and development in the field of auditing and enable RAA to prioritize available resources for the competency enhancement of its employees.

The CBF is developed by a task force comprising of five members, as per the guideline of RCSC, through a series of consultative meetings, focus group discussions, and surveys. The RAA also aligned the framework with the Competency Framework for public sector audit professionals at supreme audit institutions developed by the International Organisation for Supreme Audit Institutions (INTOSAI).

I am very confident that this document will greatly benefit RAA in developing and enhancing the competencies of the Auditors.

With Best regards,

(Tashi)
Auditor General

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PROCESS FLOW_CBF

PROFICIENCY LEVELS

KEY COMPETENCIES (9)

Behavioral Competencies (5):
1. Lead by Example
2. Engagement and Communication
3. Professionalism
4. Team Work
5. Change Management

Functional Competency (4):
6. Knowledge on Public Financial Management System including role of auditing in promoting good governance in public sector
7. Audit Documentation
8. Quality Assurance
9. Follow-up

KEY ROLE | COMPETENCY AREA | KEY COMPETENCIES | BEHAVIORAL INDICATORS

BEHAVIORAL INDICATORS under Behavioral Competencies (11)

BEHAVIORAL INDICATORS under Functional Competency (5)

43 LTTs & 91 STTs

	FOUNDATION (P5-P4)	INTERMEDIATE (P3)	ADVANCED (P2)	PROFICIENT (P1)
(Behavioral)	Induction Program/Training on: Public Finance Management, Government Accounting System, ePEMs, Role of RAA in Public Accountability Framework, Audit Working Papers, ARMS, Quality Control and Quality Assurance process using FA, PA and CA checklists and guidance tools, Training on Follow-up Process, CAATs including IDEA, data visualization tools,)	Induction Program,) Training /Refresher course: Public Finance Management, Government Accounting System, ePEMs, Role of RAA in Public Accountability Framework, Audit Working Papers, ARMS, Quality Control and Quality Assurance & Follow-up process for FA, PA and CA checklists and guidance tools, Training on leadership skills, Communication and interpersonal skills, CAATs including data analytics, data	Sensitization/Awareness on the Familiarization and Awareness on inclusiveness and gender perspective for auditing, Critical Thinking and Problem Solving Enhancement Program, Data Interpretation and Analysis: including Predictive Analytics, Coaching and knowledge sharing on professional judgment and skepticism, Negotiation Skills, Embracing change to manage change	Quality Assurance training on FA, PA & CA. Familiarization on follow-up. Leadership development and management training. Effective communication training. Training on stakeholder engagement and negotiation skills. Refresher course on information technology. Knowledge and experience sharing programme. Training on team management. Negotiation skills enhancement programme, Sensitization/familiarization on change management. Coaching and mentoring on change management.

1. BEHAVIORAL COMPETENCY (ACROSS ALL THREE KEY ROLES)

2. FUNCTIONAL COMPETENCY (SPECIFIC KEY ROLE)

Financial Statements Examiner

Value for Money Promoter

Compliance Assessor

FINANCIAL STATEMENTS EXAMINER (5):
10. Domain knowledge on accounting standards
11. Domain knowledge on FA standards
12. Audit Planning
13. Audit Execution
14. Audit Reporting

FINANCIAL STATEMENTS EXAMINER (11)

FOUNDATION (P5-P4)	INTERMEDIATE (P3)	ADVANCED (P2)	PROFICIENT (P1)
Induction Program/ Training / Sensitization on Bhutanese Accounting Standards and Financial Reporting Framework, Introduction to FA Concepts, Standards and Manuals, Auditing Process Note: Themed based such as Construction, and Procurement	Training & Familiarization of FA Standards, Financial Audit including planning-internal control assessment, risk assessment, materiality; execution- audit sampling, evidence collection technique; Reporting-expressing audit opinion	Training & workshop on Financial Audit to auditors of PA, CA, RQAD, & FUCD, Refreshers on FA to FS Examiners Training on assessment of risks, materiality in relation to forming audit conclusions. Sampling techniques Awareness on reforms and updates in financial audit reporting	Familiarization on Bhutanese accounting system and financial reporting framework, reforms/changes related to FA standards and methodologies. Training on Financial Audit Planning, Audit Execution, Audit Reporting.

VALUE FOR MONEY PROMOTER (5):
15. Domain knowledge on PA standards
16. Selection of audit topics
17. Audit Planning
18. Audit Execution
19. Audit Reporting

VALUE FOR MONEY PROMOTER (11)

FOUNDATION (P5-P4)	INTERMEDIATE (P3)	ADVANCED (P2)	PROFICIENT (P1)
Induction Program/ Training / Sensitization on Introduction to PA Concepts, Standards and Manuals, Performance Auditing Process Note: Themed based such as Environment and Information Technology	Training & Familiarization on PA Standards, PA Auditing process and tools (including theme based audits -IT, environmental, SDG), Audit Design Matrix; execution- Audit Finding Matrix, evidence collection technique and data analysis; Reporting)	Training on Performance Auditing to auditors of FA, CA, RQAD, & FUCD, session on criteria on topic selection, acquiring sufficient knowledge of the subject matter, Audit Risk Assessment and Materiality, audit sampling techniques, info graphics and data visualization	Familiarization on any reforms/changes related to PA standards and methodologies. Training on selection of Performance Audit topics, Audit Planning, Audit Execution & Audit Reporting

COMPLIANCE ASSESSOR (5)
20. Domain knowledge on CA standards
21. Selection of audit topics
22. Audit Planning
23. Audit Execution
24. Audit Reporting

COMPLIANCE ASSESSOR (9)

FOUNDATION (P5-P4)	INTERMEDIATE (P3)	ADVANCED (P2)	PROFICIENT (P1)
Induction Program/Training on Introduction to CA Concepts, Standards and Manuals, Compliance Audit Process Selection, Planning, Execution and Reporting. Note: Themed based such as Construction, Procurement, Environment, Information Technology	Training & Familiarization on CA Standards, Compliance Audit including selection of audit topics, planning-internal control assessment, risk assessment, materiality, Audit Planning Matrix; execution- audit sampling, evidence collection	Training on Compliance Auditing to auditors of FA, PA, RQAD, & FUCD, Interpreting audit sampling techniques and its adequacy, Workshop for common understanding amongst the team leaders	Familiarization on any reforms/changes related to CA standards and methodologies. Training on selection of CA topics, Compliance Audit Planning, Audit Execution & Audit Reporting.

Background

### 1.1. About the Royal Audit Authority

The Royal Audit Authority (RAA) has undergone a series of organizational and structural changes since its establishment as a Committee of Accounts and Audit in 1961. It was instituted as a Department in 1974 and was declared a fully autonomous body in 1985 when it was renamed as the Royal Audit Authority. As it went through the stages of changes, the Royal Decrees of 1970, 1997, 1999, 2000 and 2005 were issued covering the mandates of the RAA and stressing on the professional independence of the institution. Recognizing the significant role of the RAA in promoting good governance and public accountability through auditing and reporting on prudent, economic, efficient and effective use of public resources, it has been bestowed with Constitutional Status in the year 2008. The Constitution of the Kingdom of Bhutan mandates the RAA to audit and report on the economy, efficiency and effectiveness in the use of public resources.

The RAA also draws its mandates from the Audit Act of Bhutan 2018 and other specific legislation such as Companies Act of Kingdom of Bhutan 2016, Public Finance Act 2007 and Amendment Act 2009, Religious Organizations Act 2007, Civil Society Act 2007 amongst others.

The RAA functions in accordance with the Audit Act of Bhutan 2018 which specifies independence, powers, duties, roles and responsibilities of the RAA. In order to enhance the credibility, professionalism and quality, the RAA adopted International Standards for Supreme Audit Institutions (ISSAIs) in 2016. Since then, all audits are performed in accordance with the standards.

The RAA is structurally divided into four Departments and four Regional Offices. The Departments are headed by Deputy Auditors General. The Regional Offices are headed by Assistant Auditors General and located in Bumthang, Phuntsholing, Samdrup-Jongkhar and Tsirang, which are the most important core functional units for ensuring wider coverage of the audit services across the country.

As of June 2020, the RAA has a total of 283 employees comprising of 188 male and 95 female representing 67.43% and 33.56% respectively as shown in Figure 1. The majority of its employees are male.

Figure 1: Staff strength by gender
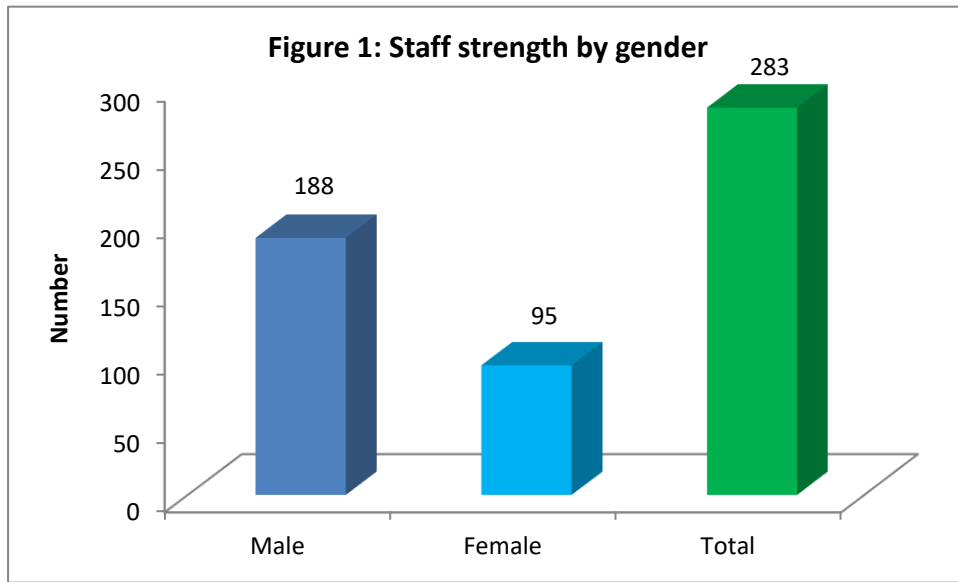
The age of employees ranges from 20 to 59. The majority of staff are in the age group of 30-39 represented by 75 males and 39 females as shown in Figure 2. Lesser number of employees are in the age group of 20-24 and 50-59.

Figure 2: Employees by Age Group
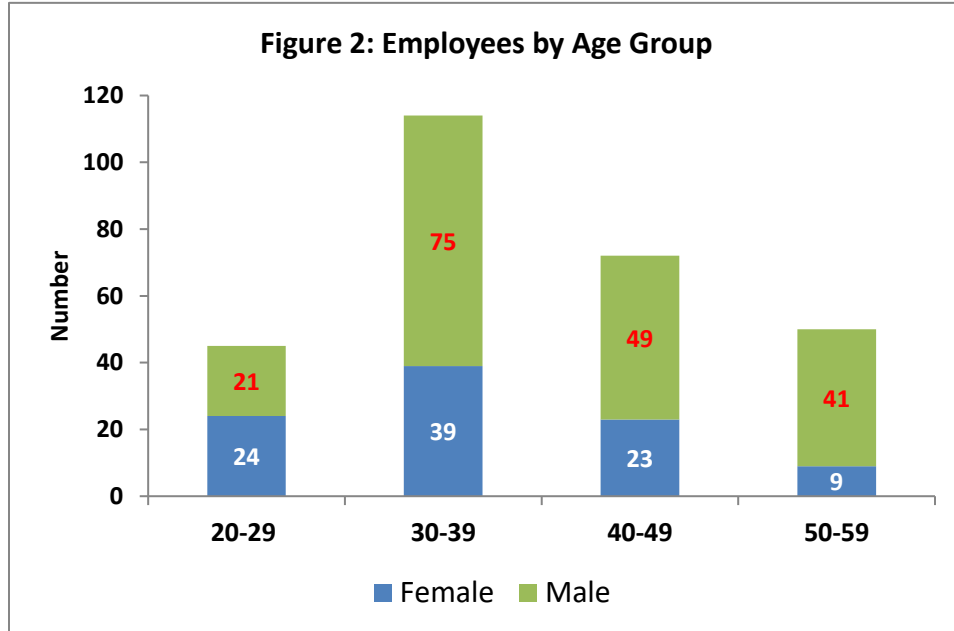
The largest portion of employees is in Multiple Superstructure Service with 190 employees representing 67.14% as depicted in Figure 3. The Multiple Superstructure Service constitutes only auditors (both field auditors and non-field auditors).

Figure 3: Employees by Superstructure
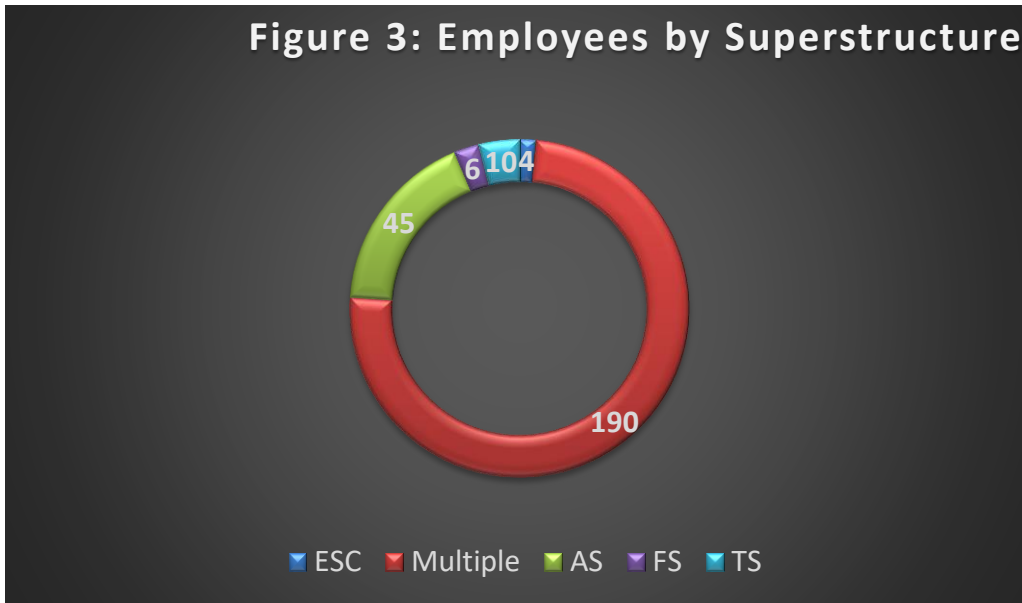
A Figure 4 shows staff strength by qualification. The Authority has 1 employee with Certified Public Accountancy (CPA), 28 employees with Master's degree, 129 with Bachelor's degree, 34 with diploma and 92 others (certificate, Class X and below).

Figure 4: Staff strength by Qualification
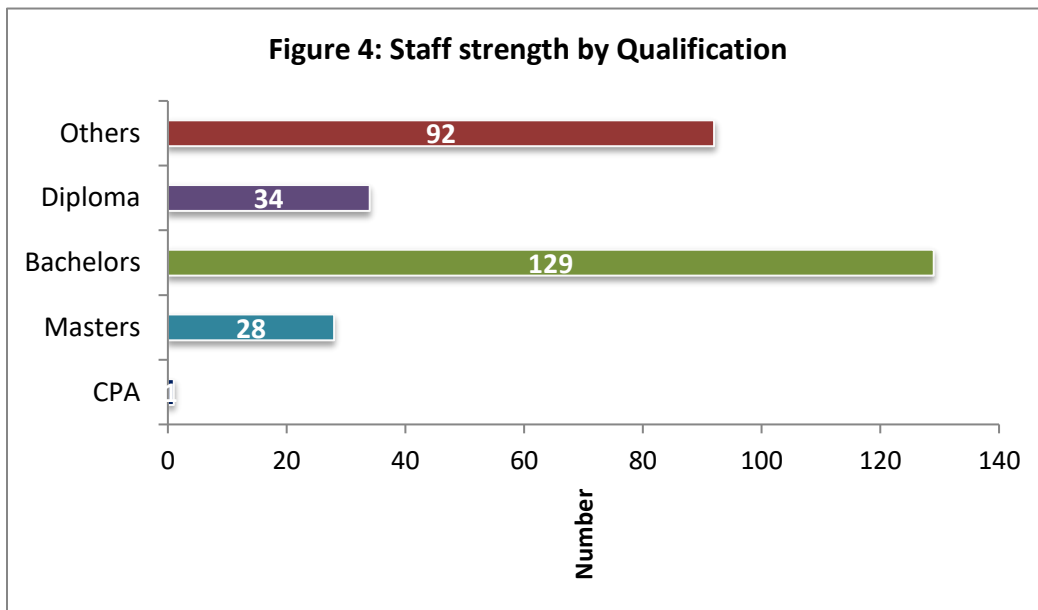
The Professional & Management Category represents the largest position category consisting of 123 employees followed by Supervisory & Support Category with 105 employees. The Specialist and Executive Category represents the smallest composition consisting of 5 staff as indicated in Figure 5.

Figure 5: Employees by Position Category
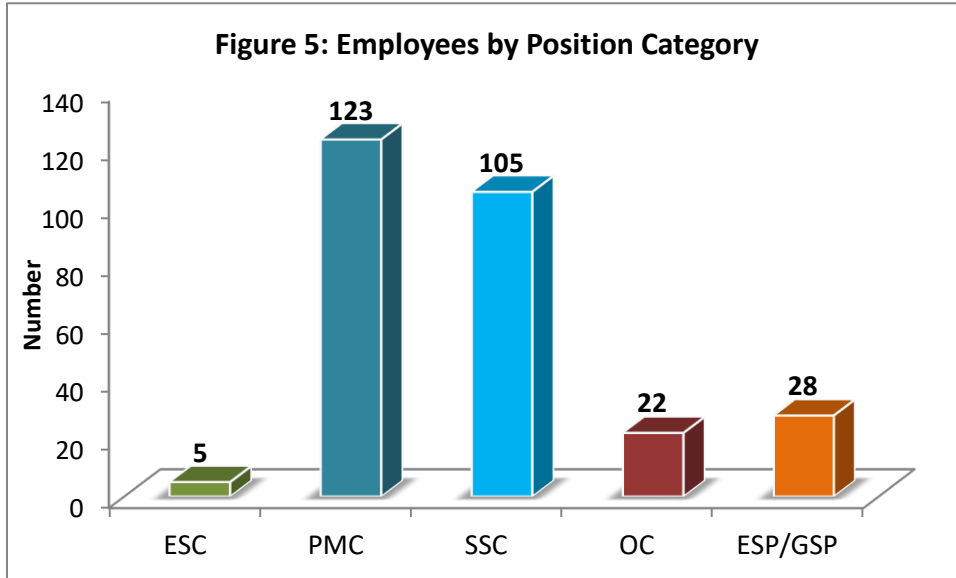
The Professional & Management Category comprises 112 audit officers and 11 others that includes planning, human resource, program, finance, and language development officers as depicted in Figure 6.

Figure 6: Professional & Management Category Employees
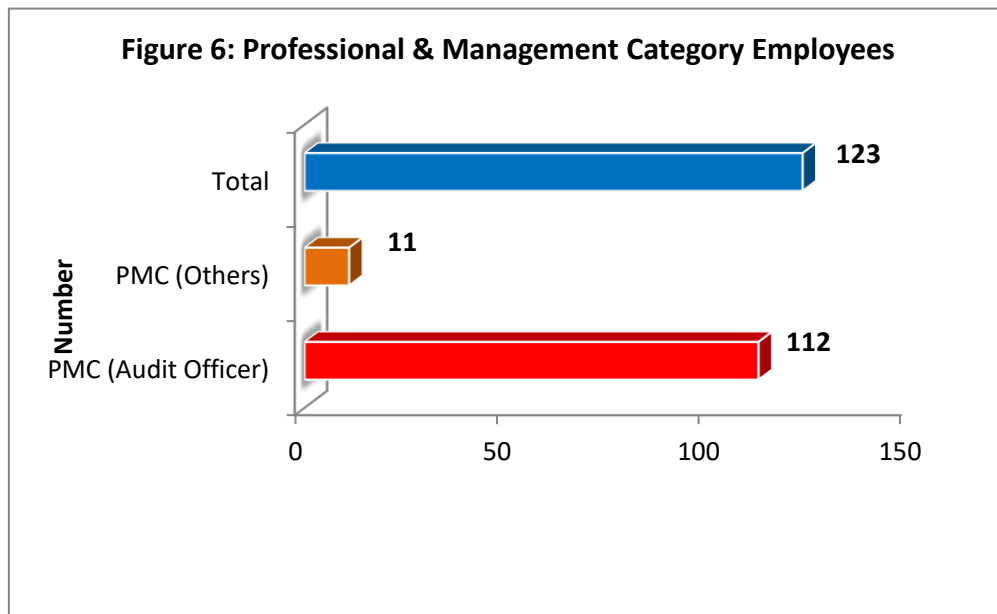
Note: The above data are from the Annual HR Report 2019-2020 of RAA.

1.2. Vision

"A credible Supreme Audit Institution that promotes value for money and good governance in public operations and contributes towards achieving the societal aspirations of Gross National Happiness."

1.3. Mission

"RAA is an independent constitutional body which contributes to accountability, transparency and effective service delivery. In the service of Tsa-Wa-Sum (the King, Country and People), we audit without fear, favour or prejudice and provide timely, reliable and quality audit services to assist effective decision making in the public sector."

1.4. Core Values

ACCOUNTABILITY

We are accountable for our own actions in a similar way we propound accountability in audited agencies

PROFESSIONALISM

We perform quality audit services through dedicated and competent workforce conforming to auditing standards and best practices.

INTEGRITY

We are independent, honest and incorruptible in our conduct and remain impartial and trustworthy

TRANSPARENCY

We are transparent in all our dealings and actions, and promote the culture of openness and submit ourselves to scrutiny

TEAM WORK

We believe in team spirit and diversity to unleash our full potential in achieving our common goal through mutual respect, trust and support

1.5. Core Functions

In order to deliver the mandates effectively and also to promote public accountability in the government operations, the RAA performs three different types of audits, which are listed below:

a. Performance audit

Performance audit is carried out to examine whether government undertakings, systems, operations, programmes, activities or organisations are operating in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. It promotes accountability by assisting those with governance and oversight responsibilities to improve performance. It does so by examining whether decisions by the legislature or the executive are economically, efficiently and effectively prepared and implemented, and whether taxpayers or citizens have received value for money. It also promotes transparency by affording the legislature, the executive, taxpayers and other sources of finance, and those targeted by government policies and the media, an insight into the management and outcomes of different government activities.

b. Financial audit

Financial audit is carried to examine an organization's financial statements and underlying accounting records mainly to enhance the degree of confidence of intended users of the financial statements by expressing an opinion on whether the financial statements are prepared in all material respect, in accordance with a financial reporting framework. It provides reasonable assurance that the information prepared by the government properly reflects the financial situation of public sector institutions including government agencies.

c. Compliance audit

Compliance audit is carried out whether a given subject matter (theme or entity) is in compliance with applicable authorities identified as criteria. It is performed by assessing whether activities, financial transactions and information comply, in all material respects, with the authorities (applicable laws, rules and regulations, policies, orders and instructions issued by the competent authority) which govern the audited entity. Compliance audit promotes transparency by providing reliable reports as to whether public funds and resources have been used in line with applicable authorities. It also promotes accountability by reporting non-compliance and violation of authorities to take corrective actions and hold public officials accountable for their activities.

1. Competency-Based Framework for Audit Officers

2.1. Introduction

With the increasing number of entities to be audited, and growing complexities in entities' operations and advancement in technologies, the RAA has not been able to recruit and retain the required number of auditors with relevant skills and knowledge. This has impeded the RAA from developing and sustaining a pool of competent human resources, which is having an adverse impact upon the delivery of effective audit services. The

Organization's success is driven by the capability of its employees and competency based framework helps in building the future of the organization by linking individuals' capabilities to organizational goals. Thus, Competency Framework for Auditors is developed to guide the Royal Audit Authority in its capacity development initiatives that are provided based on the competency gaps identified in the framework. It sets out basic competency requirements for an auditor in three types of audits and brings clarity in performance standards that are expected of individuals at different level proficiency. It is anticipated to maintain a level of competence to meet the profession's technical and ethical standards and provide valuable knowledge to the auditors. It is also designed to help audit professionals understand the knowledge and skills necessary to perform high-quality audits on three types of auditing.

It will also encourage continuous learning and development. Further, it shall enable RAA to prioritize resources and judicious utilization of available resources for competency enhancement of its employees.

2.2. Purpose

The CBF highlights the knowledge, skills and abilities required for audit officers to achieve a high level of professional competence and deliver the highest standard services. The framework is developed with the following aim and objectives.

2.3. Aim

Build a fraternity of Audit Officers who are highly knowledgeable, skillful and competent in delivering efficient and effective services of the highest standard.

2.4. Objectives

- To enable RAA in having efficient and competent workforce by aligning skills, capabilities and knowledge with organizational priorities and resulting in enhancement of delivery of quality audit services;

- To enhance professional development through various methods of interventions to address the competency gaps; and

- To be used in implementing various HR initiatives such as succession planning, transfers, and performance management.

2.5. Framework Development Processes (timeline)

The development of the framework involved identifying Role Profiles, Competency Areas, Key Competencies, Behavioral Indicators and Proficiency Levels through a rigorous, consultative and inclusive process with key stakeholders.

Workshop to develop the CBF at FITI, Thimphu

First & Second validation meeting with Domain Experts

Presentation to Advisory Committee

| 14-18 Sept. 20 | 12- 16 Oct.20 | 14 Oct. 20 | 23 Oct.20 3 Dec. 20 | 2-6 Nov. 20 1-2 Mar.21 | 12 Mar 2021 | 25 Mar 2021 |

CBF taskforce attended the workshop organized by RCSC

Consultative meeting with DAGs

CBF Taskforce convened workshop in Paro & Thimphu

Presentation to RCSC Commission

2.6. Structure
Brief explanation and diagrammatic overview of the CBF

👥	**3**	**Key Roles**
🪪	**2**	**Competency Area**
🖨️	**24**	**Key Competencies**
🪪	**47**	**Behavioral Indicators**
📢	**4**	**Proficiency Levels (Foundation, Intermediate, Advanced, Proficient)**

2.6.1. Identification of Key Role

The key role is an organized set of behaviors that are crucial to achieve the current and future goals of the Royal Audit Authority. Based on the vision, mission and core functions of the RAA, following key roles are identified and expected to be performed by the Audit Officers:

c. Compliance Assessor

a. Financial Statements Examiner

AUDITOR

b. Value for Money Promoter
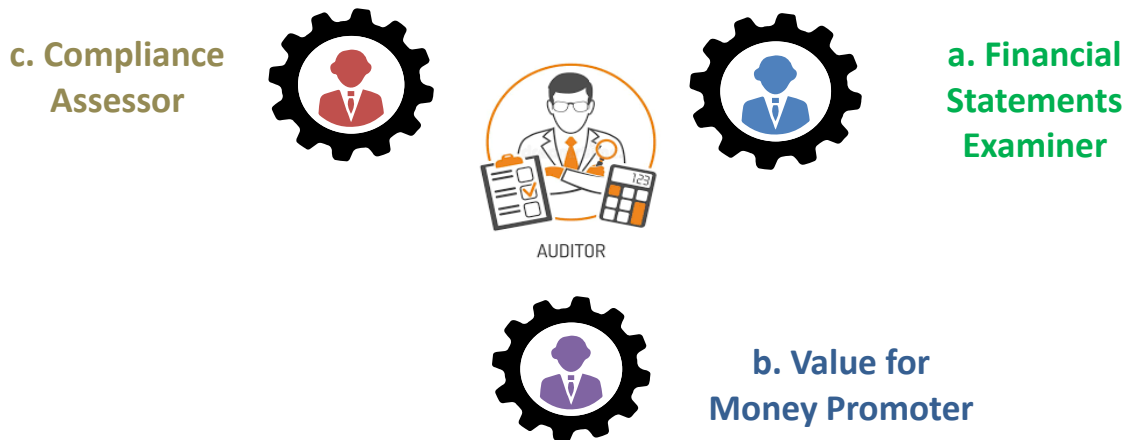
2.6.1.1. Description of Role Profile

The role profile is the description of roles that Audit Officers are expected to demonstrate in achieving the outcomes of the Royal Audit Authority. It defines outcomes and competencies for an individual role. It concentrates on outcomes rather than duties, which provides better guidance than a job description on expectations. It does not constrain Audit Officers to carry out a prescribed set of tasks.

Role Profile of Audit Officers

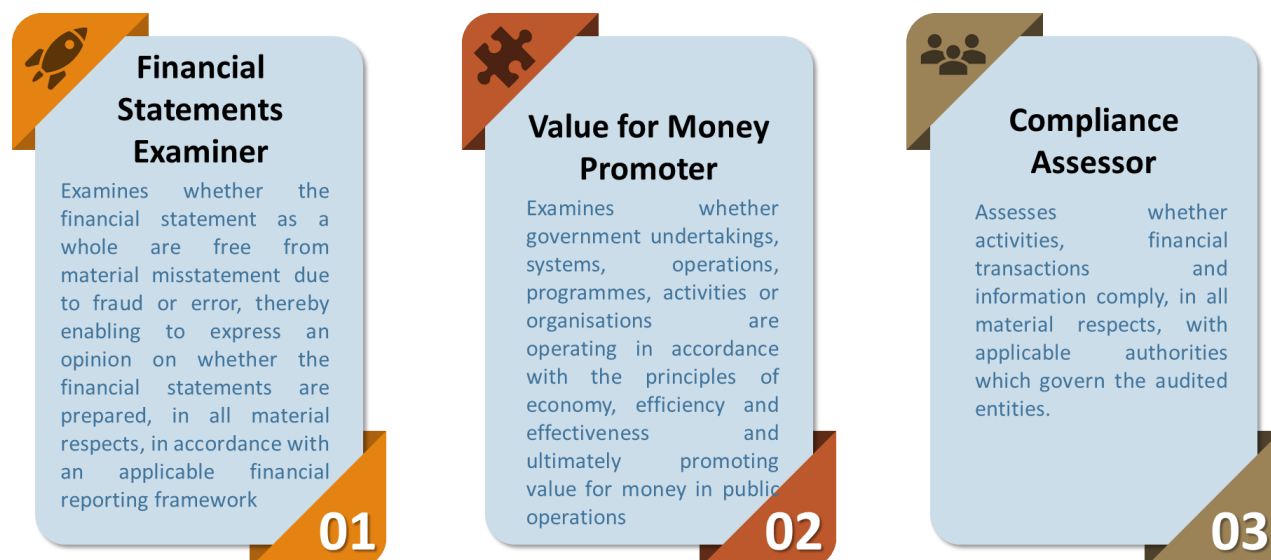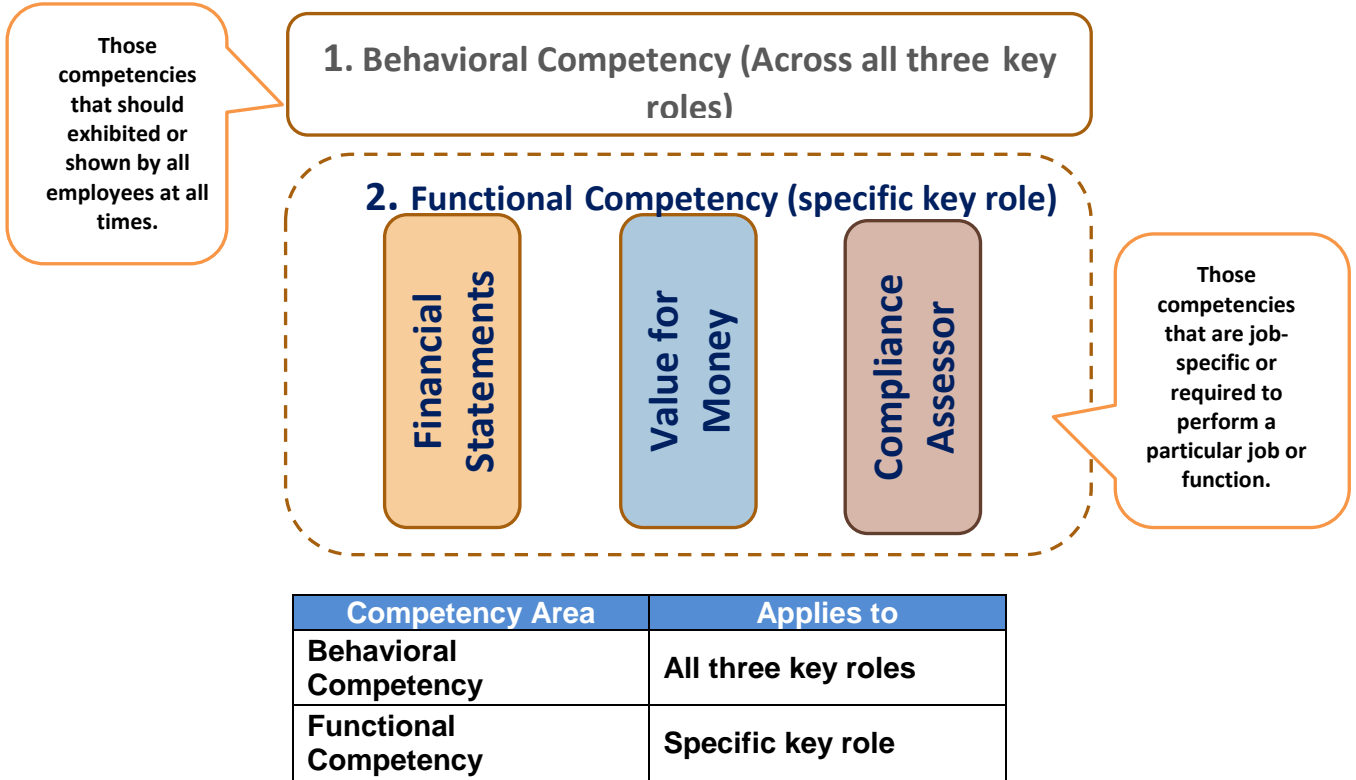| SI #	Key Role	Role Description
1	Financial Statements Examiner	Examines whether the financial statements as a whole are free from material misstatement due to fraud or error, thereby enabling to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework.
2	Value for Money Promoter	Examines whether government undertakings, systems, operations, programmes, activities or organisations are operating in accordance with the principles of economy, efficiency and effectiveness and ultimately promoting value for money in public operations.
3	Compliance Assessor	Assesses whether activities, financial transactions and information comply, in all material respects, with applicable authorities which govern the audited entities.

Financial Statements Examiner

Examines whether the financial statement as a whole are free from material misstatement due to fraud or error, thereby enabling to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework

01

Value for Money Promoter

Examines whether government undertakings, systems, operations, programmes, activities or organisations are operating in accordance with the principles of economy, efficiency and effectiveness and ultimately promoting value for money in public operations

02

Compliance Assessor

Assesses whether activities, financial transactions and information comply, in all material respects, with applicable authorities which govern the audited entities.

03

2.6.2. Identification of Competency Areas

The competency area is the clustering of key competencies by related behavior and functions of each role. It comprises a set of Knowledge, Skills and Abilities (KSA) that result in essential behaviors expected from the audit officers. Basically, the framework is broadly based on the International Organization for Supreme Audit Institutions (INTOSAI)

Competency Framework **T- model** and has identified two competency areas; behavioral competency and functional competency. The behavioral competency is across and applies to all three key roles whereas functional competency is applicable to specific key role or job.

Those competencies that should exhibited or shown by all employees at all times.

1. Behavioral Competency (Across all three key roles)

2. Functional Competency (specific key role)

Financial Statements

Value for Money

Compliance Assessor

Those competencies that are job-specific or required to perform a particular job or function.

Competency Area	Applies to
Behavioral Competency	**All three key roles**
Functional Competency	**Specific key role**

2.6.3. Identification of Key Competencies

The key competency is an observable behavior that indicates the presence of the particular competency. Generally, it is broadly divided as core competency, leadership competency and technical or functional competency. The framework has identified 24 key competencies (5 for Behavioral Competency and 19 for Functional Competency- 4 common key competencies and 15 specific key competencies) which are presented as below: -

Role #	Key Role	Competency Area	Key Competencies
1	All three Key Roles	A. Behavioral Competency	1. Lead by Example
			2. Engagement and Communication
			3. Professionalism
			4. Team Work
			5. Change Management
		B. Functional Competency	6. Knowledge on Public Financial Management System including

			role of auditing in promoting good governance in public sector
			7. Audit Documentation
			8. Quality Assurance
			9. Follow-up
2	Financial Statements Examiner	B. Functional Competency	10. Domain knowledge on accounting standards
			11. Domain knowledge on FA standards
			12. Audit Planning
			13. Audit Execution
			14. Audit Reporting
3	Value for Money Promoter	B. Functional Competency	15. Domain knowledge on PA standards
			16. Selection of audit topics
			17. Audit Planning
			18. Audit Execution
			19. Audit Reporting
4	Compliance Assessor	B. Functional Competency	20. Domain knowledge on CA standards
			21. Selection of audit topics
			22. Audit Planning
			23. Audit Execution
			24. Audit Reporting

2.6.4. Identification of Behavioral Indicators

The Behavioral Indicators is the description of competencies based on various proficiency levels. It outlines a collection of desired and observable motives, traits and behaviors when executing or carrying out the assigned task. It serves as a tool to guide evaluations of employee performance. The framework has identified 47 behavioral indicators (11 for Behavioral Competency and 36 for Functional Competency- out of which,5 for common key competencies and 31 for specific key competencies).

Competency Area	Key Competency	Behavioral Indicators
Key Role : All three Key Roles		
A. Behavioral Competency	1. Lead by example	1.1 Demonstrates ethical behavior in all situations to maintain credibility of institution.
		1.2. Displays personal accountability to take ownership and responsibility.

		1.3 Respects diversity to promote inclusiveness.
		1.4 Demonstrates leadership skills to inspire, encourage and motivate others.
	2. Engagement and communication	2.1 Engages stakeholders to meet their expectation.
		2.2 Communicates effectively with stakeholders towards creating a greater audit impact.
	3. Professionalism	3.1 Exercises professional judgment and skepticism maintaining objectivity to avoid errors or bias in drawing conclusions throughout the audit.
		3.2 Demonstrates audit knowledge and skills leveraging information technology to conduct effective audits.
		3.3 Continuously strives for excellence to grow and develop knowledge, skills and abilities.
	4. Team Work	4.1 Drives team performance by promoting and encouraging participation and sharing of ideas that align with the organisational strategy to maximize team synergy and performance.
	5. Change Management	5.1 Embraces change and being responsive to changing environments and emerging risks.
B. Functional Competency	6. Knowledge on Public Financial Management System including role of auditing in promoting good governance in public sector	6.1 Understands the budget cycle, internal control, internal audit, monitoring and reporting, and external audit in order to better comprehend PFMS.
		6.2 Understands the role of auditors in effectively enhancing public accountability and transparency.
	7. Audit Documentation	7.1 Maintains the audit working papers in printed and electronic form for sufficient period to meet the professional and legal requirements.
	8. Quality Assurance	8.1 Performs quality assurance review in order to ensure high quality of audits.
	9. Follow-up	9.1 Performs follow-up on the audit reports to ensure that audit adds value through effective implementation of recommendations.

Key Role 1: Financial Statements Examiners

B. Functional Competency	10. Domain knowledge on Accounting standards	10.1 Demonstrates an understanding of financial reporting framework, accounting standards, principles and rules to ensure financial statements have been prepared and presented in accordance with applicable reporting framework.
	11. Domain knowledge on FA standards	11.1 Understands the standards on Financial Auditing and its concepts to ensure effective financial auditing.
	12. Audit Planning	12.1 Acquires sufficient knowledge of the entity's environment, internal control and legal framework for better understanding and effective planning.

		12.2 Identifies and assesses risk of material misstatements including those due to fraud to design appropriate risk responses.
		12.3 Determines planning and performance materiality and identifies material classes of transactions to form basis for effective planning, appropriate audit procedures and form correct conclusion.
		12.4 Designs appropriate test of controls and formulate substantive procedures to obtain sufficient and appropriate audit evidence.
	13. Audit Execution	13.1 Selects and examines representative samples from sets of data (population) using audit sampling techniques to draw conclusion on different classes of transactions.
		13.2 Obtains sufficient and appropriate audit evidence by performing relevant audit procedures to support misstatements in the financial statements.
	14. Audit Reporting	14.1 Assesses whether uncorrected misstatements are material individually or in aggregate to determine its effect on the audit opinion.
		14.2 Expresses audit opinion of the financial statements to provide assurance to the users of the Financial Statements.
		14.3 Prepares financial audit report as per the reporting standard to ensure effective communication with intended users.
Key Role 2: VFM Promoter		
B. Functional Competency	15. Domain knowledge on PA Standards	15.1 Understands standards and guidelines for performance auditing and performance audit concepts to carry out performance auditing efficiently.
	16. Selection of audit topics	16.1 Identifies potential audit topics of PA for conducting relevant and topical audits that adds values or brings out system improvement.
	17. Audit Planning	17.1 Acquires sufficient knowledge of the subject matter, environment and context in performance audit for better understanding and effective planning.
		17.2 Identifies key stakeholders to take actions or implement audit recommendations.
		17.3 Identifies and assesses risks in Performance Audit to avoid giving incorrect or incomplete audit findings, conclusion and recommendations.
		17.4 Defines audit approach to determine nature of examination.
		17.5 Considers materiality including the financial, social and political aspects of the subject matter to show relative importance of the matter.

		17.6 Prepare Audit Design Matrix for designing audit procedures to gather sufficient and appropriate audit evidence (data collection methods and sampling techniques).
	18. Audit Execution	18.1 Obtains sufficient and appropriate audit evidence in order to establish audit findings, reach conclusions in response to the audit objectives and audit questions and provide recommendations.
		18.2 Analyses collected data and information to ensure that audit findings are put in perspective and respond to the audit objectives and audit questions and also to reach audit conclusion.
	19. Audit Reporting	19.1 Prepares comprehensive, convincing, timely, and balanced performance audit report for communication of audit findings with the stakeholders in order to appropriate actions on audit recommendations.
Key Role 3: Compliance Assessor		
B. Functional Competency	20. Domain knowledge on CA standards	20.1 Understands standards for compliance audit and compliance audit concepts to carry out compliance audit efficiently.
	21. Selection of audit topics	21.2 Identifies potential audit topics of CA for conducting relevant and topical audits that adds values by promoting accountability and transparency in the use of public resources.
	22. Audit planning	22.1 Acquires sufficient knowledge of the subject matter/entity, environment, including the entity's internal control in compliance audit for effective planning and execution of audit.
		22.2 Identifies & assess risks in compliance audit to reduce the risk of producing incorrect conclusions to an acceptable low level including consideration of risk of fraud throughout the audit process.
		22.3 Determines materiality to form a basis for planning, executing and in evaluating the effect of instances of non-compliances.
		22.4 Prepares Audit Planning Matrix for designing audit procedures to gather sufficient and appropriate audit evidence.
	23. Audit execution	23.1 Obtains sufficient and appropriate audit evidences by performing appropriate audit procedures and methods to establish audit findings, conclusion and recommendations.
		23.2 Performs audit sampling to provide sufficient amount of items to draw conclusions.

24. Audit reporting	24.1 Prepares audit report based on the principles of completeness, objectivity, timeliness, accuracy and contradiction to effectively implement the audit findings and conclusions.

2.6.5. Classification of Proficiency Levels

The proficiency level is categorized based on the level of expertise. It describes the levels of a competency required to perform a specific job successfully. There is a progression of proficiencies at each level. The proficiency level of audit officers is categorized into four levels as i) Foundation (P5-P4), ii) Intermediate (P3), iii) Advanced (P2) and iv) Proficient (P1).

The proficiency will enable individual officials to distinguish the type of competencies expected in their career path, which will give them an opportunity to enhance competency in achieving current as well as future career goals. As the officials in position levels of P5 & P4 play similar roles, their proficiency levels are merged together. Further, the proficiency level will set a benchmark for the recruitment and deployment.

The proficiency levels of each key competency are detailed below:

All three Key Roles: Financial Statement Examiner/Value for Money promoter/Compliance Assessor			
Competency Area: A. Behavioral Competency			
Key Competency : 1. Lead by example			
Behavioral Indicator: 1.1 Demonstrates ethical behavior in all situation to maintain credibility of institution.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Understands code of conduct, ethics and secrecy.

Consistently exhibits adherence to code of conduct, ethics and secrecy**.** | Maintains and encourages others to adhere to the code of conduct, ethics and secrecy through own display of good ethical conduct and behavior. | Continuously guides, monitors and assesses subordinates' adherence to the code of conduct, ethics and secrecy. | Exhibits exemplary adherence to code of conduct, ethics and secrecy to inspire others (Lead by Example).

Recognizes good ethical behavior while taking effective action to deal with unruly and unethical behavior.

Creates a culture |

			and strive for fostering high standards of ethics at all times.
Exhibits personal and organizational integrity and honesty.	Models integrity through exhibition of honesty, incorruptible and remain highly impartial and trustworthy.	Guides colleagues to maintain the standard of personal and professional integrity through display of professional excellence unaffected by positions of leadership and status.	Makes appropriate decisions that ensures and encourages subordinates to act and maintain personal and professional integrity without fear, favour or prejudice. Proactively responds and acts to integrity vulnerabilities and seeks measures or approaches to mitigate them.

Behavioral Indicator: 1.2 Displays personal accountability to take ownership and responsibility.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Demonstrates the understanding on the importance of taking ownership and accountability for taking actions and decisions. Takes responsibility and accountability to avoid or reduce future complication.	Embraces ownership and responsibility, and devises a culture to promote accountability and transparency. Exhibits transparency and professionalism that encourages others to follow suit. Displays willingness to take corrective action and is open to scrutiny and criticism.	Provides support and guidance to promote a culture of honesty, integrity, ownership, accountability and transparency to encourage others to uphold. Monitors subordinates to ensure that they uphold integrity and transparency.	Inspires and encourages subordinates to take ownership, responsibility and accountability. Communicates clearly the expectations and impacts of promoting a culture of accountability, transparency and openness. Acts proactively to overcome the setbacks to create

			a conducive environment. Makes efforts to minimise waste of resources but make optimal use of given resources
Behavioral Indicator: 1.3 Respects diversity to promote inclusiveness.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Recognizes and respects diversity in an organizations. Shows empathy to understand others feelings and actions. Respects Bhutanese etiquette (driglam) and aspire to serve with utmost *Tha Damtsig and Ley Jumdre*	Treats all people with dignity and respect irrespective of differences and responds openly. Supports and respects others ideas, expression, differences and solicits the involvement of others to promote inclusiveness.	Adapts to accommodate diversity to resolve conflicts and works effectively with people of diverse views, culture, gender and abilities. Manages effectively an environment and culture of inclusiveness.	Encourages and creates an environment and culture of inclusiveness and diversity. Advocates to promote an environment and culture of inclusiveness. Fosters an inclusive workplace where diversity and individual differences are valued and leverages to achieve a common goal. Devises approaches to address diversity issues.
Behavioral Indicator: 1.4 Demonstrates leadership skills to inspire, encourage and motivate others.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**

Demonstrates the understanding of different leadership styles. Actively listens and communicates effectively to others for involvement and engagement. Demonstrates self-motivation and encouragement to contribution towards achievement of Teams output and Divisional Outputs ultimately leading to fulfilment of organizational goals.	Shows an ability to influence positively, inspire and motivate others to achieve results. Uses a combination of logic, personal passion, conviction and interpersonal skills to influence others and responds to the needs of others.	Makes timely decisions and confidently justify and maintains own position or decision when challenged. Applies appropriate leadership styles to effectively deliver objective. Collaborates and works to achieve the objectives through application of leadership styles. Provides continuous guidance and support to motivate others. Builds the confidence of others to succeed.	Acts proactively and thinks strategically in anticipating needs, recognising the wider vision and goals of the organization. Acts as a role model for others. Motivates and manages subordinates to optimize performance and effectiveness. Appreciates the contributions and efforts of other colleagues. Leads through influence, personal conviction, inspiration and sensitivity. Manages and communicates effectively and assertively in difficult and contentious situations to resolve issues and build consensus. Devises strategies to recognise, reward and celebrate contribution and achievement. Provides platform for giving and receiving feedback and tap

			professional expertise.
			Demonstrates ability to identify and manage own emotion as well as emotions of others.

Key Competency : 2. Engagement and communication			
Behavioral Indicator: 2.1 Engages stakeholders to meet their expectation and needs.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Comprehends the importance of engagement of stakeholders. Recognizes and identifies key stakeholders and discern their expectations and needs. Establishes cooperative work environment by fostering positive relationships with stakeholders.	Discerns the stakeholders' expectations and needs, to determine appropriate interventions. Interacts and engages appropriately with stakeholders to understand their views, expectations and needs.	Analyzes the stakeholders' expectations and needs to determine appropriate interventions. Encourages an open exchange of ideas and different points of view to understand stakeholders expectation and needs.	Reviews stakeholders' expectations and needs, and accordingly applies suitable interventions. Considers stakeholders' views without compromising objectivity and maintaining confidentiality of the information shared. Builds high level engagement with a wide range of stakeholders. Leverages a broader engagement across the stakeholders. Creates a supportive environment to enhance stakeholders' expectations.
Behavioral Indicator: 2.2 Communicates effectively to convey clear message in order to achieve organizational goal.			

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Listens actively to others, acknowledge hearing different perspectives and reacts appropriately. Develops and delivers verbal and written information in a clear manner. Develops written material that is clear, concise and accurate; uses appropriate language and tone to the needs of the audience. Uses communication tools appropriately including digital to communicate in a timely manner.	Listens effectively and picks up the meaning of the message as well as information that others will typically miss. Uses communication tools appropriately including digital to communicate effectively in a timely manner. Understands the bigger picture by listening and leveraging non-verbal cues.	Communicates openly and clearly the intentions, ideas and feelings using a broad range of communication techniques including interpersonal skills. Simplifies complex written communications and adapt styles and content for all levels of the organizations. Encourages the sharing of ideas and best practices; encourages others to speak and listen empathetically to understand the real motivators and emotions. Uses communication tools appropriately including digital to communicate effectively.	Creates enabling environment to obtain wider perspective of ideas and share diverse perspectives to enhance understanding for achieving best possible outcomes. Communicates effectively the outcome and impact of decisions. Leads the development of written information for highly visible or complex situations. Confidently presents controversial or complex information to all levels of the organizations. Uses communication tools appropriately including digital to communicate effectively.

Key Competency : 3. Professionalism

Behavioral Indicator: 3.1 Exercises professional judgment and skepticism maintaining objectivity to avoid errors or bias in drawing conclusions throughout the audit process.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Exercises reasonable care in the conduct of the audit and	Exercises due care to ensure that team's professional behaviour is	Exercises utmost due care (***dre-pa dang shey zhing***)	Evaluates and ensures that teams avoids

| diligently apply high professional standards in carrying out the work objectively and impartially.

Recognizes and undertakes works that is competent to perform the required task.

Understands the application of collective knowledge, skills, and experience of the audit process. | appropriate and perform its functions without fear, favour or prejudice, avoid any conduct that might discredit the institution

Maintains objectivity, alerts and questioning attitude throughout the audit process. | to ensure that team's professional behaviour is appropriate and perform its functions without fear, favour or prejudice, avoid any conduct that might bring disrepute to the institution

Considers variety of views and arguments and better able to consider different perspectives but maintains objectivity throughout the audit process. | errors of judgment or cognitive bias and draws objective conclusions based on a critical assessment throughout the audit process.

Provides appropriate level of assurance for assessment of evidences and audit findings, recommendation and conclusion. |

Behavioral Indicator: 3.2 Leverages information technology to conduct audits efficiently and effectively.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Possess and applies basic knowledge of computer, software and tools.	Keeps abreast of emerging digital technologies and techniques in response to changing needs in the field of his/her area of work.	Uses and take due advantage of emerging digital technologies and tools	Leverages digital technologies in the strategy of the organisation and develop policies on usage of new information technology.
Understands statistical tools/appropriate computer assisted auditing tools for conducting audit activities.

Collects data from multiple sources and apply data quality checks. | Applies analytical skills and an ability to synthesize information using data analytics and statistical tools/appropriate computer assisted auditing tools for conducting audit activities.

Comprehends visualization techniques and tools for existing data sets and applications. | Evaluates and applies designated quantitative techniques including statistics, time series analysis, optimization and simulation to deploy appropriate models for analysis and prediction. Interprets and provides broader context using financial and non-financial information, drawing from a wide | Guides and mentors on advanced statistical techniques and tools; digital technologies for organizational tasks. Reviews and defines best visualization approach and solutions for specific issues and use multiple techniques to |

		variety of data sources. Uses multiple visualization techniques and languages for existing and new analytics applications and processes.	create interactive dashboards.
Behavioral Indicator: 1.1.3.3 Continuously strives for excellence to grow and develop knowledge, skills and abilities.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Shows interest and abilities to learn and responds to new demands, priorities and challenges in audit environment.	Adopts a learning approach in his/her own work and participates in knowledge sharing and preservation activities.	Identifies critical areas and develops methods to manage, share knowledge to promote consistency in audit works. Thinks in a critical and objective way to stay relevant and effectively deliver the output.	Evaluates and develops methods/guidelines for agency's knowledge management and transfer. Leads knowledge management by sharing information across the institution.
Takes responsibility and explores opportunities for his/her learning and development with minimal supervision.	Acknowledges others skill sets and expertise, encourages and contributes to the sharing of knowledge, and creates learning opportunities for others.	Encourages others to participate in coaching, cross-training and knowledge sharing activities, and dedicates the required resources.	Institutionalizes coaching and mentoring as part of institutional practice. Devises sufficient and appropriate resources to perform their work in accordance with relevant standards and other requirements, including having timely access to external and independent advice where necessary.
Key Competency : 4. Team Work			

Behavioral Indicator: 4.1 Drives team performance by promoting and encouraging participation and sharing of ideas that align with the organizational strategy to maximize team synergy and performance.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Works collaboratively with team members to create team spirit through active participation and interaction to achieve the agreed goals within given timeframe. Opens to suggestions, feedbacks and exchange of knowledge amongst team members.	Encourages an environment in which people value diversity either in recruitment, team formation and/or in developing plans and strategies within given timeframe. Brings team members into discussions so that they can contribute their ideas, are involved in setting team objectives and feel engaged on issues that affect them. Treats all team members fairly and courteously and exhibits professional manner; supports team despite different points of view or setbacks.	Builds effective teams, bringing together individuals with diverse backgrounds, skills and expertise; Leads and encourages people to work together, foster team spirit and builds the commitment of those involved in the team/project to achieve results. Identifies and manages the team's strengths and weaknesses and resolve issues to achieve shared goals, promote trust, openness and respect for others, guide and motivate teams.	Makes time of teams, listen actively and stay in touch. Advocates and successfully leverage diversity to maximize organizational strength across the organization. Fosters team spirit and creates a culture that promotes cooperation and integration over internal competition; proactively identify and realign resources to meet strategic organizational priorities. Provides guidance, coaching and mentoring of staff/build team collaboration and functioning on a continuous basis to achieve the goals. Monitors and communicates clear chain of command and formulate system to review and evaluate team's performance periodically to

			keep abreast with the audit issues.
Recognises the different negotiating styles of parties to a negotiation and adapt style accordingly. Supports negotiations by providing information and being part of the team.	Understands stakeholders' positions and bargaining power and be able to negotiate and/or participate in negotiations with some support. Manages buy-in and gain trust with internal stakeholders prior to and during negotiations.	Negotiates in tough situations with both external and internal stakeholders. Demonstrates confidence and good political savvy and maintains credibility with third-party key decision-makers. Manages the negotiation team effectively; ensures each member is fully prepared for the negotiation; consistently secures positive outcome from the negotiation.	Leads the most complex negotiations and demonstrate expert closing skills and excellent professional and cultural savvy. Shows an excellent sense of timing, and quickly gains trust and respect of all other parties to the negotiations. Formulates potential plan and alternative solution to understand and ensure full impact of the negotiation to audit results.

Key Competency : 5. Change Management

Behavioral Indicator: 5.1 Embraces change and being responsive to changing environments and emerging risks.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Understands the need of positive change and their roles in the change process.	Understands how changes impact the performance and end results.	Advises on and influences change management; participates in the planning and implementation of organisational changes.	Evaluates change and emerging risks in the audit environment and responds to these in a timely manner. Strategically designs selection and implementation of organisational changes to drive and exceed organizational objectives.

Supports implementation of organisational changes and assists in carrying out the goals and objectives of the management team.

Shows intellectual flexibility and adaptability of approach to different situations. | Interprets, communicates and facilitates the implementation processes of change management. Evaluates how change management affects current roles and responsibilities.

Demonstrates intellectual flexibility. Suggests ways to improve current processes or systems and contributes ideas for change and process improvement. | Monitors change management results and measure with organizational objectives. Handles sensitive aspects of organisational change management.

Advices new ideas and challenges, and frequently comes up with recommendations to adapt existing procedures and processes. | Manages effectively the change management along with potential conflicts to maximise acceptance; cooperation and achieve organizational goals.

Provides resources, remove barriers, and be an advocate for positive changes. Monitors and evaluates efficacy of the strategy/tactics and makes adjustments where required. |

Competency Area: B. Functional Competency (Common KC for all three key roles)			
Key Competency: 6. Knowledge on Public Financial Management System including role of auditing in promoting good governance in public sector.			
Behavioral Indicator: 6.1 Understands the budget cycle, expenditure reporting, internal control framework, internal audit, monitoring and reporting, and external audit in order to better comprehend PFMS.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Demonstrates understanding of the country's PFM System which includes budget cycle, expenditure reporting, internal control framework, internal audit, monitoring and reporting, and external audit.	Explains the country's PFM System which includes budget cycle, expenditure reporting, internal control framework, internal audit, monitoring and reporting, and external audit.	Explains the country's PFM System which includes budget cycle, expenditure reporting, internal control framework, internal audit, monitoring and reporting, and external audit.	Explains the country's PFM System which includes budget cycle, expenditure reporting, internal control framework, internal audit, monitoring and reporting, and external audit.
Demonstrates understanding the Government accounting system.	Demonstrates understanding the Government accounting system.	Demonstrates understanding the Government accounting system.	Demonstrates understanding the Government accounting system.

Behavioral Indicator: 6.2 Understands the role of auditors in effectively enhancing public accountability and transparency.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Understands and recognizes the mandates of RAA (Acts, Constitution), its jurisdiction, and role of RAA in public accountability system.	Upholds the mandates of RAA (Acts, Constitution), its jurisdiction, and role of RAA in public accountability system.	Upholds the mandates of RAA (Acts, Constitution), its jurisdiction, and role of RAA in public accountability system.	Upholds the mandates of RAA (Acts, Constitution), its jurisdiction, and role of RAA in public accountability system.

Key Competency: 7. Audit Documentation

Behavioral Indicator 7.1 Documents audit work sufficiently to provide a clear understanding of the work carried out and audit evidence collected to support audit findings, conclusions and recommendations.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Understands and maintains adequate documentation in ARMS to provide a clear link between the audit findings and evidences obtained, and work performed. Prepares audit documentation in a timely manner, keeps it up to date throughout the audit, and completes the documentation of the evidence supporting the audit findings before the audit report is issued.	Identifies and organizes adequate documentation in ARMS to provide a clear link between the audit findings and evidences obtained, and work performed.	Ensures maintenance of all relevant documents in ARMS to support the audit findings and recommendations, and work performed. Maintains confidentiality and safe custody of the audit documentation, and retains it for a period sufficient to meet the needs of the legal, regulatory, administrative and professional requirements of record retention and to enable the conduct of audit follow-up activities.	Evaluates and advises the sufficiency of documentations in ARMS to support the audit findings and recommendations, and work performed.

Key Competency: 8. Quality Assurance

Behavioral Indicator 8.1 Performs quality assurance review in order to ensure high quality of audits.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Understands the objective of	Plans, conducts and assesses whether	Evaluates information gathered	Supervises and reviews the QA

conducting quality assurance review which is to ascertain whether the SAI´s quality control system, embedded in the audit process, indeed operates effectively and efficiently. Plans the QA review to prepare the strategy, scope, timeline and the methodology in the plan for the review. Select the sample of audits for quality assurance reviews. Conducts quality assurance review for individual audit engagements by applying the quality assurance Tool and Guidance to check the audit's compliance with the respective requirements of the standards.	individual audit engagements complies with the respective requirements of the standards by applying the quality assurance Tool and Guidance.	through different methods and prepares the quality assurance review reports with QA findings and recommendations for improvement.	Report with the management, conducts exit meeting, incorporates the management responses and finalizes the report.

Key Competency: 9. Follow-up

Behavioral Indicator: 9.1 Performs follow-up on the audit reports to ensure that audit adds value through effective implementation of recommendations.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Understands the established policies and procedures for conducting follow-up reviews. Develops and implements plans for following up on the audit findings/recommenda	Conducts follow-up reviews through audit procedures that were used during the initial audit engagement during the follow-up review on the audit findings/recommendatio ns, and provides further comments by evaluating the sufficiency of the	Analyzes the sufficiency and appropriateness of the audit evidence to support the findings and conclusion and accords appropriate decisions. Prepares the follow-up report and follows the same	Reviews the decisions accorded for appropriateness and provides recommendations for improvement. Carries out holistic reviews, analyzes and studies the impact of

| tions with responsible stakeholders. | supporting documents submitted. | reporting lines as the audit engagement including submission to relevant responsible stakeholders on the implementation of the recommendations or settlement of audit findings. | implementation of audit recommendations

Apprises the higher authority, based on the results of the follow-up, to continue monitoring the implementation of recommendations of the audited entity or takes the decision to undertake an entirely new audit engagement. |

Key Role 1: Financial Statements Examiner			
Competency Area: B. Functional Competencies			
Key Competency: 10. Domain knowledge on Accounting Standards			
Behavioral Indicator: 10.1 Demonstrates an understanding of financial reporting framework, accounting standards, principles and rules to ensure financial statements have been prepared and presented in accordance with applicable reporting framework.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Demonstrates understanding of accounting standards, rules and financial reporting frameworks to ensure transparency, reliability, consistency and comparability of the Financial Statements.	Applies accounting standards, rules and financial reporting frameworks to ensure transparency, reliability, consistency and comparability of the Financial Statements.	Applies and interprets accounting standards, rules and financial reporting frameworks to ensure transparency, reliability, consistency and comparability of the Financial Statements.	Applies and interprets accounting standards, rules and financial reporting frameworks to ensure transparency, reliability, consistency and comparability of the Financial Statements.
Key Competency: 11. Domain knowledge on Financial Auditing standards			
Behavioral Indicator: 11.1 Understands the Financial Auditing (FA) standards and manuals, and its requirements to ensure effective financial auditing.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Demonstrates understanding of the nature, purpose and	Explains the nature, purpose and objectives of financial	Determines the nature, purpose and objectives of financial auditing and	Determines the nature, purpose and objectives of

objectives of financial auditing and how it is differentiated from and/or linked to compliance or performance auditing. Understands the FA standards and manuals and describes key concepts and process of financial auditing. Embraces and supports consistent and continuous application of the FA standards and manuals for financial audit.	auditing and how it is differentiated from and/or linked to compliance or performance auditing. Exhibits clear understanding of FA standards and manuals and describes key concepts and process of financial auditing. Ensures consistent and continuous application of the FA standards.	how it is differentiated from and/or linked to compliance or performance auditing. Interprets all the applicable requirements of the standards on Financial auditing. Monitors and promotes consistent and continuous application of the FA standards for financial auditing.	financial auditing and how it is differentiated from and/or linked to compliance or performance auditing. Recommends amendments/revision to higher authorities where necessary for consistent and continuous application of the financial audit standards for financial audit. Upholds and inspires continuous learning and application of Financial Auditing principles, standards and guidelines for financial auditing.

Key Competency: 12 Audit Planning

Behavioral Indicator: 12.1 Acquires sufficient knowledge of the entity's environment, internal control and legal framework for better understanding and effective planning.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Understands the entity's operating environment and business process.	Understands the entity's operating environment and business process.	Understands the entity's operating environment and business process.	Understands the entity's operating environment and business process.
Understands components of internal controls and assesses whether the entity has designed and instituted IC systems, and ascertains its operating effectiveness.	Establishes components of internal controls and assesses whether the entity has designed and instituted IC systems, and ascertains its operating effectiveness.	Establishes clear understanding of components of internal controls and assesses whether the entity has designed and instituted IC systems, and analyzes its operating effectiveness.	Reviews the assessment of the operating effectiveness of ICS and decides on its reliance

Behavioral Indicator: 12.2 Identifies and assesses risk of material misstatements either due to fraud or error to design appropriate risk responses.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Understands the purpose and elaborates the process of identifying and assessing risk of material misstatements (ROMM) in financial audit. Understands the risk assessment procedures to identify the potential risk, and recognizes different audit assertions to be considered against each potential risks. Lists all potential risks identified through the process flow of each account balances.	Identifies and assesses ROMMs at the FSs level and assertion level for classes of transactions, account balances and disclosures. Considers risk of fraud and includes fraud risk factors in their risk assessment. Identifies and selects relevant audit assertions against different ROMMs to design accurate risk responses.	Evaluates ROMMs at the FSs level and assertion level for classes of transactions, account balances and disclosures. Evaluates risk of fraud and includes fraud risk factors in their risk assessment. Evaluates selection and uses relevant audit assertions against different ROMMs to design accurate risk responses.	Reviews the ROMM and the use of audit assertions, and recommends additional risks and appropriateness of the audit assertions to design accurate risk responses.
Behavioral Indicator: 12.3 Determines planning and performance materiality and identifies material classes of transactions to form basis for planning, design appropriate audit procedures and form conclusion.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**

Demonstrates and understanding of the concept of materiality (planning and performance materiality, quantitative and qualitative) and their purpose in financial audit engagements for each classes of transactions and account balances throughout the audit process. Explains the process of determining planning, performance and overall materiality and identifying MCOT, and recognizes linkage to ROMMs and audit assertions.	Applies and determines materiality at the planning stage to determine the nature, time and extent of audit procedures. Applies and determines materiality at the execution stage to decide the extent of performing audit procedures and evaluation of uncorrected material misstatements. Determines overall materiality in forming audit opinion by comparing the overall materiality and uncorrected misstatements in the financial statements, taking into account their quantitative effect and nature.	Evaluates the appropriateness of the materiality at the planning stage to determine the nature, time and extent of audit procedures. Evaluates the materiality at the execution stage to decide the extent of performing audit procedures and evaluation of uncorrected material misstatements. Evaluates the overall materiality in forming audit opinion by comparing the overall materiality and uncorrected misstatements in the financial statements, taking into account their quantitative effect and nature.	Reviews the process of identifying MCOT and materiality and recommends changes to the materiality where necessary.

Behavioral Indicator: 12.4 Designs appropriate test of controls and formulate substantive procedures to obtain sufficient and appropriate audit evidence.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Understands and designs test of controls and substantive procedures as the response to identified risks, and infers linkage to ROMM, MCOT and audit assertions and criteria.	Designs appropriate test of controls and formulates appropriate audit procedures with suitable audit criteria as response to risks based on ROMM, MCOT and audit assertions for appropriate audit engagement.	Designs and evaluates appropriate test of controls and formulates appropriate audit procedures with suitable audit criteria as response to risks through deeper analysis of ROMM, MCOT and audit assertions for appropriate audit engagement.	Reviews the selection of audit criteria and design of risk response synthesizing the affect of ROMM, MCOT and audit assertions, and recommends changes where necessary.

Key Competency: 13. Audit Execution

Behavioral Indicator: 13.1 Selects and examines representative samples from sets of data (population) using audit sampling techniques to draw conclusion on different classes of transactions.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)

Explains the sampling techniques and its importance in drawing conclusions on different classes of transactions. Understands the relation between different levels of assurances and determination of sample size of different classes of transactions. Uses sampling techniques for selecting appropriate samples.	Applies sampling techniques and selects appropriate sample size for different classes of transactions considering its assurance levels by using appropriate sampling techniques.	Evaluates and selects appropriate sample size for different classes of transactions considering its assurance levels and examines the adequacy of sample size. Evaluates whether the instances of non-compliance are material individually or in aggregate to arrive at audit opinion. Evaluates sample results comparing different assurance levels with the nature and causes of errors to reach overall conclusion.	Reviews the determination of audit samples (size and quality) taking into account the levels of assurances to be achieved for each risk responses derived from ROMM, MCOT and audit assertions, and recommends changes where necessary.

Behavioral Indicator: 13.2 Obtains sufficient and appropriate audit evidence by performing relevant audit procedures to support misstatements in the financial statements.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Understands different evidence gathering techniques, and explains sufficiency and appropriateness of audit evidence. Uses different evidence gathering techniques and obtains sufficient and appropriate audit evidence from different sources.	Identifies appropriate audit evidence gathering techniques. Analyses sufficient and appropriate audit evidence using different evidence gathering techniques.	Decides whether the audit evidence is sufficient and appropriate to provide the basis for audit findings. Decides the sufficiency and appropriateness of audit evidence collected through different evidence gathering techniques.	Reviews the adequacy of audit evidence gathered, and further corroboration where necessary.

Key Competency: 14. Audit Reporting

Behavioral Indicator: 14.1 Assesses whether uncorrected misstatements are material individually or in aggregate to determine the effect on the audit opinion.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)

Understands the relations between materiality and uncorrected misstatements in determining whether the misstatements are material individually or in aggregate.	Accumulates various uncorrected misstatements and derives whether they are material individually or in aggregate based on overall audit materiality.	Evaluates the whether uncorrected misstatements are material individually or in aggregate based on overall audit materiality.	Reviews the assessment of uncorrected misstatements based on overall audit materiality, and recommends additional audit procedures if necessary.

Behavioral Indicator: 14.2 Expresses audit opinion of the financial statements to provide assurance to the users of the Financial Statements.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Understands different types of audit opinion expressed on the financial statements, and distinguishes audit opinion from emphasis of matter paragraphs and other matter paragraph.	Accumulates uncorrected misstatements and formulates appropriate audit opinion on the financial statements with reference to planning materiality.	Expresses audit opinion on the financial statements by evaluating the uncorrected misstatements with reference to the planning materiality.	Reviews the audit opinion expressed, and evaluates whether appropriate audit opinion has been expressed in the circumstance.

Behavioral Indicator: 14.3 Prepares financial audit report as per the reporting standard to ensure effective communication with intended users.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Drafts clear and coherent audit findings presenting facts such as criteria, condition, cause and effect of lapses/observations. Incorporates audit findings in the audit report based on the significance of the findings and observation categories. Prepares fairly clear financial audit report as per the reporting standards and existing audit report template.	Drafts audit findings clearly and coherently presenting facts such as criteria, condition, cause and effect of lapses/observations. Reviews audit findings and replies, and provides clear and realistic further comments for remedial actions and system improvements. Prepares clear and coherent financial audit report as per the reporting standards and existing audit report template.	Reviews audit findings and replies, and provides appropriate audit recommendations for remedial actions and system improvements. Prepares high quality financial audit reports that are consistent with reporting standards and existing audit report template. Reviews audit reports and provides feedback on the contents of the audit reports.	Reviews the audit recommendations and reports and provides feedback on the appropriateness of recommendation. Reviews the recommendation and contents of FA reports and recommend changes for ensuring effective communication. Evaluates FA reporting process and recommends changes for high quality audit reports.

Key Role 2: Value for Money Promoter			
Competency Area: B. Functional Competency			
Key Competency: 15. Domain knowledge on PA standards			
Behavior Indicator: 15.1 Understands standards/guidelines of performance auditing and performance audit concepts to carry out performance auditing efficiently.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Demonstrates understanding of the nature, purpose and objectives of performance auditing, the unique way in which it adds value as part of the accountability chain and how it is differentiated from and/or linked to compliance or financial auditing.	Explains the nature, purpose and objectives of performance auditing, the unique way in which it adds value as part of the accountability chain and how it is differentiated from and/or linked to compliance or financial auditing.	Determines the nature, purpose and objectives of performance auditing, the unique way in which it adds value as part of the accountability chain and how it is differentiated from and/or linked to compliance or financial auditing.	Determines the nature, purpose and objectives of performance auditing, the unique way in which it adds value as part of the accountability chain and how it is differentiated from and/or linked to compliance or financial auditing.
Understands the PA standards and guideline and demonstrates understanding of key concepts of economy, efficiency and effectiveness, as well as criteria, conditions, cause and effect in the performance audit process, in relation to a wide variety of subject matters including theme based audits such as IT and Environmental audits.	Exhibits clear understanding of PA standards and guideline and applies key concepts of economy, efficiency and effectiveness, as well as criteria, conditions, cause and effect in the performance audit process, in relation to a wide variety of subject matters including theme based audits such as IT and Environmental audits.	Interprets all the applicable requirements of PA standards and also interprets key concepts of economy, efficiency and effectiveness, as well as criteria, conditions, cause and effect in the performance audit process, in relation to a wide variety of subject matters including theme based audits such as IT and Environmental audits.	Recommends amendments/revision to higher authorities where necessary for consistent and continuous application of the PA standards and interprets key concepts of economy, efficiency and effectiveness, as well as criteria conditions, cause and effect in the performance audit process, in relation to a wide variety of subject matters including theme based audits such as IT and Environmental audits.

Embraces and supports consistent and continuous application of the PA standards and guideline for performance audit.	Applies PA standards throughout the PA audit process in different environment.	Monitors and promotes consistent and continuous application of the PA standards for performance auditing.	Reviews performance audit works to ensures consistent application of Financial Auditing principles, standards and guidelines for performance auditing.

Key Competency: 16. Selection of audit topics			
Behavior Indicator: 16.1 Identifies potential audit topics of PA for conducting relevant and topical audits that adds values or brings out system improvement.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Understands the process of selecting performance audit topics (including IT, Environmental and SDG themes) that are significant, auditable and reflect the SAI's mandate. Indicates important audit topics to be considered for PA. Indicates important audit topics to be considered for PA	Applies selection procedures and criteria and identifies potential performance audit topics (including IT, Environmental and SDG themes) to be included in strategic plan.	Selects and prioritizes a portfolio of performance audit topics (including IT, Environmental and SDG themes) based on a set of criteria, considering to include significant, relevant and auditable audit topics.	Reviews identified performance audit topics (including IT, Environmental and SDG themes) to see its significance, relevance and auditability and recommends additional topics that add value to the intended users of the report.

Key Competency : 17. Audit Planning			
Behavior Indicator:17.1 Acquires sufficient knowledge of the subject matter, environment and context in performance audit for better understanding and effective planning.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Demonstrates understanding of the context of the public sector environment by obtaining and learning entity's mandates, organizational structures, culture, subject matter (can include IT, Environmental and SDG themes), business processes, operations and	Acquires sufficient knowledge of the context of the public sector environment by learning and evaluating entity's mandates, organizational structures, culture, subject matter (can include IT, Environmental and SDG themes), business processes, operations and	Acquires sufficient knowledge of the context of the public sector environment by learning and evaluating entity's mandates, organizational structures, culture, subject matter, business processes, operations and systems using relevant tools.	Acquires sufficient knowledge of the context of the public sector environment by learning and evaluating entity's mandates, organizational structures, culture, subject matter (can include IT, Environmental and SDG themes), business processes, operations and

systems using relevant tools.	systems using relevant tools.		systems using relevant tools.
Behavior Indicator:17.2 Identifies key stakeholders in order to maintain effective communication of key audit aspects of the audit with the stakeholders throughout the audit process.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Demonstrates understanding of identifying key stakeholders for the performance audit using stakeholder mapping tools and lists out important stakeholders.	Applies stakeholder analysis tools & methods and identifies key stakeholders that have interest or influence on performance audit topics and communicates both verbally and in writing throughout audit process.	Analyses the roles of the stakeholders and how their interest or influence can affect the risk and the performance of the audit topic and maintains effective communication both verbally and in writing throughout audit process.	Reviews the list of key stakeholders including their roles for comprehensiveness and advises for additional stakeholders that have stake in the audit topics.
Behavior Indicator: 17.3 Identifies and assesses risk in a Performance Audit to avoid giving incorrect or incomplete audit findings, conclusion and recommendations and also considers risk of fraud.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Understands risk identification and assessment methods/model and recognizes or lists the potential risks in performance audit including risks of fraud while understanding the subject matter.	Applies risk assessment methods/model and identifies & assesses potential risks in performance audit including risks of fraud by considering all important factors related to the subject matter.	Evaluates risk assessment conducted and manages identified potential risks including risks of fraud throughout the audit process by defining appropriate audit objectives and questions to address those risks.	Reviews the potential risks identified including risks of fraud for sufficiency and completeness and recommends additional risks that need to be considered throughout the audit process.
Behavior Indicator:17.4 Defines audit approach to determine nature of examination.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Understands different audit approaches used in performance audit and chooses an approach or combination of approach by considering the audit objectives and questions.	Defines and applies audit approach or combination of audit approaches in the audit to address the audit objectives.	Chooses the best audit approach or combination of audit approaches and modifies the approaches by considering the audit objectives and questions	Evaluates the audit approaches defined for appropriateness considering the audit objectives and recommends best audit approach where necessary.
Behavior Indicator: 17.5 Considers materiality			

including the financial, social and political aspects of the subject matter to show relative importance of the matter.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Understands materiality in performance audit and determines materiality throughout the audit process considering not only the monetary value, but also what is socially or politically significant of the audit topic.	Determines materiality throughout the audit process considering not only the monetary value, but also what is socially or politically significant of the audit topic.	Applies materiality throughout the audit process considering not only the monetary value, but also what is socially or politically significant of the audit topic.	Ensures application of materiality throughout the audit process considering not only the monetary value, but also what is socially or politically significant of the audit topic.
Behavior Indicator: 17.6 Prepare Audit Design Matrix for designing audit procedures to gather sufficient and appropriate audit evidence (data collection or research methods and sampling techniques.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Understands the contents of Audit Design Matrix (ADM) including developing researchable questions, audit criteria, different data collection methods, sampling techniques. Designs researchable questions, audit criteria and procedures to respond to risks identified, audit objectives and questions.	Defines researchable questions and identifies different sources of audit criteria to develop audit criteria when these are not readily available. Designs audit procedures to respond to identified risks, audit objectives and questions. Identifies data collection methods and sampling techniques.	Defines researchable questions and develops audit criteria from relevant sources and evaluates the audit procedures to see whether they address the identified risks and respond to audit objectives and questions. Selects appropriate data collection methods for gathering evidence and applies sampling techniques to identify samples.	Reviews ADM for completeness, appropriateness, clarity, and recommends additional researchable questions, audit criteria and procedures that are required to respond to audit objectives and questions. Reviews sampling techniques applied and samples selected to see whether sample size is representative of the population.
Key Competency: 18. Audit Execution			
Behavior Indicator: 18.1 Obtains sufficient and appropriate audit evidence by performing audit procedures in order to establish audit findings, reach conclusions in response to the audit objectives and audit questions and issue recommendations.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Demonstrates understanding of the characteristics of	Applies appropriate evidence gathering techniques or	Collects and decides sufficiency and appropriateness of	Evaluates sufficiency and appropriateness of evidence gathered

| sufficient and appropriate evidence.

Demonstrates understanding of different evidence gathering methods and techniques (e.g. interview, survey, focus group, direct observation, and document review) and the contents of Audit Finding Matrix (AFM).

Uses evidence gathering techniques or methods and obtains sufficient and appropriate audit evidence by performing audit procedures and accordingly records in AFM. | methods and obtains evidence from different sources to meet the characteristics of sufficiency and appropriateness by performing audit procedures.

Maintains AFM corresponding to ADM prepared during planning phase. | evidence gathered through evidence gathering techniques by using professional judgment and skepticism.

Ensures maintenance of AFM. | and advises for further corroboration where necessary.

Reviews AFM for sufficiency and completeness. |

Behavior Indicator: 18.2 Analyzes collected data and information to ensure that audit findings are put in perspective and respond to the audit objectives and audit questions and also to reach to audit conclusion.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Demonstrates understanding of analytical process or different methods used for analyzing data/ information collected or evidence gathered. Displays ability to organize data and perform analysis.	Applies analytical methods to analyze data collected or evidence gathered by responding to the audit objectives, questions and criteria	Chooses appropriate analytical methods to analyze data collected or evidence gathered by responding to the audit objectives, questions and criteria. Interprets the results of the analysis carried out using data visualization tools.	Evaluates the analytical process performed and recommends other methods if need be for further corroboration in order respond to audit objectives, questions and criteria.

Key Competency : 19. Audit Reporting

Behavior Indicator: 19.1 Prepares comprehensive, convincing, timely, and balanced performance audit report for communication of audit findings with the stakeholders for appropriate actions including informed decisions.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Demonstrates an understanding of compiling performance audit report that is comprehensive, convincing, timely, reader friendly and balanced. Displays ability to draft clear and coherent preliminary audit findings from the AFM presenting criteria, condition, cause and effects.	Drafts clear and coherent preliminary audit findings from AFM presenting criteria, condition, cause and effects including recommendations and communicates audit findings with stakeholders.	Prepares comprehensive, convincing, reader friendly and balanced performance audit report. Formulates constructive recommendations that are clear, well founded and add value as well as addresses the causes of problems or weaknesses noted. Makes conclusion that is deduced from audit findings. Communicates audit findings including recommendations with stakeholders.	Reviews the performance audit report to ensure quality and evaluates the appropriateness and applicability of recommendations and correctness of the conclusion.

Key Role 3: Compliance Assessor			
Competency Area: B. Functional Competency			
Key Competency: 20. Domain knowledge on CA standards			
Behavior Indicator:20.1 Understands standards for compliance audit and compliance audit concepts to carry out compliance audit efficiently.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Demonstrates understanding of the nature, purpose and objectives of compliance auditing and how it is differentiated from and or/linked to	Determines the nature, purpose and objectives of financial auditing and how it is differentiated from and or/linked to financial or performance audit.	Determines the nature, purpose and objectives of financial auditing and how it is differentiated from and or/linked to financial or performance audit.	Determines the nature, purpose and objectives of financial auditing and how it is differentiated from and or/linked to financial or performance audit.

financial or performance audit.			
Understands clearly the CA standards and manual and describes key concepts and process appropriately and consistently in audit practice. Displays an Understands both compliance audits as an attestation and as a direct reporting engagement. Demonstrates an understanding of both regularity and propriety focus of CA.	Exhibits clear understanding of CA standards and manuals and describes key concepts and process appropriately and consistently in audit practice. Demonstrates the ability to apply key concepts such as subject matter, subject matter information and users in the context of regularity and propriety compliance engagement.	Interprets all the applicable requirements of the standards on compliance audit appropriately and consistently in audit practice. Applies concepts of authorities, rules and criteria, risk, limited and reasonable assurance engagement in both attestation and direct reporting engagement.	Recommends amendments/revision to higher authorities where necessary for consistent and continuous application of the compliance audit standards appropriately and consistently in audit practice.

Key Competency: 21.Selection of audit topics

Behavior Indicator: 21.1 Identifies potential audit topics of CA for conducting relevant and topical audits that adds values by promoting accountability and transparency in the use of public resources.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Understands the coverage of CA and selection of significant areas and/or areas(includes procurement, construction, environment, IT Themes) with potential risk of non-compliance to add value by promoting accountability and transparency in the use of public resources. Indicates significant areas and /or areas(includes procurement,	Applies selection procedures to select significant areas/or areas(includes procurement, construction, environment, IT Themes) with potential risk of non-compliance based on the selection criteria.	Analyses the significant areas/or areas(includes procurement, construction, environment, IT Themes) with potential risk of non-compliance Prioritizes that are topical and add value by promoting accountability and transparency in the use of public resources.	Reviews the significant areas/or areas(includes procurement, construction, environment, IT Themes) with potential risk of non-compliance that are prioritized and identify it as potential audit topics for inclusion in the annual plan.

construction, environment, IT Themes) with potential risk of non-compliance.			
Key Competency: 22. Audit planning			
Behavior Indicator: 22.1 Acquires sufficient knowledge of the subject matter/entity, environment, including the entity's internal control in compliance audit for effective planning and execution of audit.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Understands the relevant business, laws and regulations, their external factors, nature of the entity's operations, governance arrangements, objectives and strategies or performance measures.

Understands the internal control system which comprises policies, structures, procedures, processes and tasks that help the entity to respond appropriately to risks of non-compliance with the criteria. | Identifies internal control activities which includes the control environment, entity's risk assessment process, information and communication systems, control activities and monitoring of the controls in place in the entity to reduce the risk of non-compliances.

Decides whether the control is relevant to the audit or not by using professional judgment.

Concludes on the effectiveness of the internal control system and identify the control risks. | Decides whether the control is relevant to the audit or not by using professional judgment.

Concludes on the effectiveness of the internal control system and identify the control risks.

Reviews the control risks and maintains risk register. | Reviews the control risks whether they are properly identified to assess against the authorities identified for the subject matter(includes procurement, construction, environment, IT Themes) and recommend any changes. |
Behavior Indicator: 22.2 Identifies and assesses risks in compliance audit to reduce the risk of producing incorrect conclusions to an acceptable low level including consideration of risk of fraud throughout the audit process.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Understands risk identification methods/model and lists all potential risks identified by analysing the process flow of each functions while understanding	Applies and identifies the main risks in the risk register and assesses the risks using the risk assessment model/method.	Evaluates risk assessment conducted and manages potential risks including risk of fraud throughout the audit process by designing audit	Reviews the risks identification and assessment to see whether the main risks that are identified are assessed effectively and risk of fraud

the entity/subject matter and its internal controls in the risk register.	Considers risk of fraud throughout the audit process and includes fraud risk factors in their risk assessments, and remain alert for indications of unlawful act in carrying out their work. Focuses on the main risks to define the audit questions, audit objectives and audit procedures.	procedures and methods that response to the risks that are effective for detecting errors as well as fraud by using the planning matrix. Updates or modifies its contents as the audit work progresses. Establishes a relationship between the audit objectives, audit procedures and the audit fieldwork.	considered throughout the audit process.
Behavior Indicator: 22.3 Determines materiality to form a basis for planning, executing and in evaluating the effect of instances of non-compliances.			
Foundation (P5-P4)	**Intermediate (P3)**	**Advanced (P2)**	**Proficient (P1)**
Demonstrates an understanding of the concept of materiality which includes nature, context and value (quantitative and qualitative materiality) that it is applied throughout the audit process.	Applies materiality at the planning stage to help the auditor to identify the audit questions which are of importance to the intended user(s) and determine the nature, timing, extent of audit procedures. Applies materiality at the executing stage to decide the extent of audit procedures to be executed and in the evaluation of audit evidence and in concluding the audit, uses materiality to evaluate the scope of work and the level of non-compliance to determine the impact on the conclusion/opinion.	Determines the main risks that are material and, the material risks are then listed in the risk register for audit testing through the audit procedures designed.	Reviews and evaluates the determination of materiality quantitatively and /or qualitatively are material or not.

	Applies materiality in the reporting phase to conclude on the subject matter whether is or is not compliant in all material respects with the applicable criteria.		

Behavior Indicator: 22.4 Prepares Audit Planning Matrix for designing audit procedures to gather sufficient and appropriate audit evidence.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Understands the contents of Audit planning Matrix including risks identified (from the risk register), audit criteria, required evidence/information, sources of evidence/information and audit procedures to be performed.	Identifies different sources of audit criteria to develop audit criteria when not readily available. Design audit procedures to respond to the identified risks, audit objectives and audit questions.	Develops audit criteria from relevant authorities and evaluates the audit procedures to see whether they address the identified risks and respond to the audit objectives and audit questions.	Reviews the Audit Planning Matrix for completeness, appropriateness, clarity and recommends additional audit criteria and procedures that are required to respond to the identified risk, audit objectives and audit findings. Reviews and approves the audit strategy and plan and ensures updation of both the audit strategy and the audit plan as necessary throughout the audit process.

Key Competency: 23. Audit Execution

Behavior Indicator: 23.1 Obtains sufficient and appropriate audit evidences by performing appropriate audit procedures and methods to establish audit findings, conclusion and recommendations.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Demonstrates an understanding of the characteristics of sufficient and appropriate audit evidences.	Applies the appropriate evidence gathering techniques/methods. Evaluates the evidence gathered to form the conclusion	Decides whether the audit evidence is sufficient and appropriate to provide the basis of a conclusion or an opinion.	Evaluates the sufficiency and appropriateness of the audit evidences gathered and if need be further directs the team for information

Explains and identifies appropriate evidence gathering techniques /methods. Collects audit evidences by performing the various evidence gathering techniques/methods. Collects various evidences from different sources in order to meet the requirements for sufficiency and appropriateness of audit evidence.	for a direct reporting engagement and for an attestation engagement.	Exercises professional judgment and scepticism in considering the quantity (sufficiency) and quality (appropriateness) of evidence while determining the nature, timing and extent of the audit procedures to be performed.	and corroboration of audit evidences.

Behavior Indicator: 23.2 Prepares audit report based on the principles of completeness, objectivity, timeliness, accuracy and contradiction to effectively implement the audit findings, conclusion and recommendations.

Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Demonstrates an understanding of sampling and sampling methods (quantitative sampling and qualitative sampling). Selects the most appropriate sampling methods based on auditor's professional judgment on risk assessment, materiality, audit efficiency and cost.	Applies the selected sampling method to provide a sufficient amount of items to draw conclusions about the population from which the sample is selected.	Projects and evaluates the sample results and reviews all errors identified and consider whether the audit evidence enables the auditor to reach an appropriate conclusion about the population for each audit test. Evaluates whether the instances of non-compliance and control deviations, are material, individually or in aggregate to arrive at the audit findings and conclusion on the compliance of the subject matter with the established criteria.	Reviews the sampling methods and sample results and accordingly assess whether it commensurate with the audit finding and conclusion.

Key Competency: 24. Audit reporting			
Behavior Indicator: 24.1 Prepares audit report based on the principles of completeness, objectivity, timeliness, accuracy and contradiction to effectively implement the audit findings, conclusion and recommendations.			
Foundation (P5-P4)	Intermediate (P3)	Advanced (P2)	Proficient (P1)
Demonstrate an understanding of compiling Compliance Audit Report that is comprehensive, convincing, timely, reader friendly and balanced. Displays the ability to draft clear audit findings in the Audit Finding Matrix which consists of criteria (authorities to comply with), condition (what is the situation found vis-a-vis the criteria), cause (why there is a deviation from the criteria) and effect (what are the consequences of the non-compliance). Understands the principles of reporting, the structure, and the form and content of the reports for a direct reporting engagement and for an attestation engagement.	Drafts the audit findings in the Audit Finding Matrix which facilitates the assessment of the findings, whether they are based on sufficient appropriate evidence, as well as, to prepare a coherent audit report. Identifies the root cause of a particular non-compliance which may be monetary or other losses to the entity to make appropriate and implementable recommendations.	Determines whether the non-compliances are material or not for the risk identified in the Audit Finding Matrix by applying the concept of materiality for value and nature or context to determine the impact on the conclusion/opinion. Prepares the audit report based on the principles of completeness, objectivity, timeliness, accuracy and contradiction and the structure, and form and content of reports for a direct reporting engagement and for an attestation engagement. Communicates audit findings and recommendations to the responsible stakeholders.	Reviews and ensures quality of the audit report by considering the principles of reporting and all findings and conclusions must be supported by adequate, reliable audit evidence. Reviews the audit report as per the existing reporting standards and audit report template and recommends any changes.

2.7. Training Needs Analysis

The Training Needs is the differences between desired capability and current capability. The Training Needs Analysis is the process of recognizing the skills gap and needs of training. It is the procedure to determine whether the training will bring out the solution to the problem. It ensures that training is targeting the correct competencies, the correct

employees and the needs of the RAA. The training can reduce, if not eliminate, the gap by equipping the Audit Officers with knowledge and skills. It should be the shared responsibility of the employee and the RAA to build and enhance their capability and competency.

The training needs analysis is carried out in consultation with the stakeholders through online surveys. The questionnaire consists of both closed and open-ended questions. The questionnaire is based on 47 behavioral indicators of four proficiency levels on Likert Scale of "Competent" and "Not Competent" followed by open-ended questions asking the likely reasons for 'Not Competent". The behavioral indicators were assessed by proficiency level to identify the performance gaps.

2.7.1. Training Needs Assessment at Foundation Level

Key Role : All three Key Roles				
Key Competencies	**Description of Proficiency Level**	**Performance (competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**
Knowledge on Public Financial Management System including role of auditing in promoting good governance in public sector	An Audit Officer at P5 and P4 position levels who understands concepts and applies them in their work.	Not Competent	New recruits/ inadequate knowledge on Public Financial Management System and role of RAA.	Induction Program/Training (Public Finance Management, Government Accounting System, ePEMs, Role of RAA Public Accountability Framework)
Audit Documentation		Not competent	New recruits/ inadequate skills and knowledge on Audit Working Papers.	Induction Program/Training (Audit Working Papers, ARMS)
Quality Assurance		Not competent	New recruits/ inadequate knowledge on quality assurance.	Induction Program/Training (Quality Control and Quality Assurance process using FA, PA and CA checklists and guidance tools)
Follow-up		Not competent	New recruits/ inadequate knowledge on conducting follow-up.	Induction Program/Training (Training on Follow-up Process)
Lead by example		Not Competent	New recruits/ lack of knowledge on	Induction Program/Training (Awareness/sensitizati

			code of conduct and ethics.	on on Code of Conduct and Ethics)
Engagement and communication		Not Competent	New recruits/ lack of communication and interpersonal skills.	Induction Program/Training (Critical Thinking Communication and Interpersonal Skills)
Professionalism		Not Competent	New recruits/ lack of skills and knowledge in using CAATs, data analytics and data visualization tools.	Induction Program/Training (CAATs including data analytics tools, data visualization tools, and building simple query in SQ)
Team Work		Not Competent	New recruits/ inadequate knowledge on team building and management.	Induction Program/Training (Team Building)
Change Management		Not Competent	New recruits/ inadequate knowledge on change management.	Induction Program/Training (Fundamentals of Change Management)
Key Role 1: Financial Statements Examiner				
Key Competencies	**Description of Proficiency Level**	**Performance (competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**
Domain knowledge on Accounting Standards	An Audit Officer at P5 and P4 position levels who understands concepts and applies them in their work.	Not Competent	New recruits/ lack of knowledge on accounting standards.	Induction Program/Training (Sensitization on Bhutanese Accounting Standards and Financial Reporting Framework)
Domain knowledge on FA standards		Not Competent	New recruits/ inadequate knowledge on FA standards.	Induction Program/Training (Introduction to FA Concepts, Standards and Manuals)
Audit Planning		Not Competent	New recruits/ inadequate	Induction Program/Training

Audit Execution			knowledge on financial auditing.	(Financial Audit Process which includes Planning, Execution and Reporting)
Audit Reporting				Note: Themed based such as Construction, and Procurement

Key Role 2: Value for Money Promoter				
Key Competencies	**Description of Proficiency Level**	**Performance (competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**
Domain knowledge on Performance Auditing standards	An Audit Officer at P5 and P4 position levels who understands concepts and applies them in their work	Not Competent	New recruits/ inadequate knowledge on Public Financial Management System and role of RAA.	Induction Program/Training (Introduction to PA Concepts, Standards and Manuals)
Selection of PA topics		Not Competent	New recruits/ inadequate knowledge on performance auditing.	Induction Program/Training (Performance Audit Process which includes Topic Selection, Planning, Execution and Reporting)
Audit Planning				
Audit Execution				Note: Themed based such as Environment and Information Technology
Audit Reporting				

Key Role 3: Compliance Assessor				
Key Competencies	**Description of Proficiency Level**	**Performance (competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**
Domain knowledge on CA standards	An Audit Officer at P5 and P4 position levels who understands concepts and applies them in their work	Not Competent	New recruits/ inadequate knowledge on CA standards.	Induction Program/Training (Introduction to CA Concepts, Standards and Manuals).
Selection of CA topics		Not Competent	New recruits/ inadequate knowledge on	Induction Program/Training (Compliance Audit

			compliance auditing.	Process which includes Topic Selection, Planning, Execution and Reporting) Note: Themed based such as Construction, Procurement, Environment , Information Technology)
Audit Planning				
Audit Execution				
Audit Reporting				

2.7.2. Training Needs Assessment at Intermediate Level

Key Role : All three Key Roles				
Key Competencies	**Description of Proficiency Level**	**Performance (competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**
Knowledge on Public Financial Management System including role of auditing in promoting good governance in public sector	An audit officer at P3 position level who exhibits clear understanding of important concepts and performs tasks independently with minimum guidance from supervisors	Not competent	Inadequate knowledge Public Financial Management System.	Refresher course (Public Finance Management, Government Accounting System, ePEMs, Role of RAA Public Accountability Framework)
Audit Documentation		Not Competent	Inadequate documentation of audit working papers.	Refresher course (Audit Working papers and ARMS)
Quality Assurance		Not Competent	Inadequate knowledge or skills in conducting quality assurance.	Training (Quality assurance for FA,PA and CA using quality assurance tool and guidance)
Follow-up		Not Competent	Inadequate knowledge or skills in conducting follow-up.	Training(Follow-up review process for FA,PA and CA, developing further comments, preparing review reports, conducting impact assessment)

Lead by example		Not Competent	lack in leadership skills	Training (leadership skills)
Engagement and communication		Not competent	Lack of skills in effectively engaging stakeholders to understand their expectations	Training (Communication and interpersonal skills)
Professionalism		Not competent	Lack of skills in using ICT tools and solutions	Training (CAATs including data analytics, data visualization, and building simple query in SQL)
			Not giving due importance to Code of Conduct and Ethics	Sensitization (Code of Conduct and Ethics)
Team Work		Not competent	lack of skills in team work	Training (Team building and management)
Change Management		Not competent	Lack of skills in embracing and responding to change	Training (Fundamentals of Change Management)
Key Role 1: Financial Statements Examiner				
Key Competencies	**Description of Proficiency Level**	**Performance (competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**
Domain knowledge on Accounting standards	An audit officer at P3 position level who exhibits clear understanding of important concepts and performs tasks independently with appropriate guidance from supervisors	Not competent	Inadequate knowledge in accounting standards	Training(financial reporting framework, accounting standards, principles and rules)
Domain knowledge on FA standards		Not competent	Lack of knowledge on FA standards for performance and compliance auditors/ inadequate knowledge on	Familiarization (FA Standards)

			FA Standards for financial auditors	
Audit Planning		Not competent	Lack of knowledge or skills in financial auditing for performance and compliance auditors	Training (Financial Audit including planning-internal control assessment, risk assessment, materiality; execution-audit sampling, evidence collection technique; Reporting-expressing audit opinion)
Audit Execution				
Audit Reporting			Inadequate knowledge or skills for financial auditors	

Key Role 2: Value for Money Promoter				
Key Competencies	**Description of Proficiency Level**	**Performance (competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**
Domain knowledge on PA standards	An audit officer at P4 position level who exhibits clear understanding of important concepts and performs tasks independently with appropriate guidance from supervisors	Not competent	lack of knowledge on PA standards for financial and compliance auditors	Familiarization (PA Standards)
			Inadequate knowledge on PA Standards for Performance auditors	
Selection of PA topics		Not competent	lack of knowledge or skills in performance auditing for financial and compliance auditors	Training (Performance Audit including selection of audit topics, planning-subject matter (including theme based audits -IT, environmental, SDG), stakeholder analysis, risk assessment, materiality, Audit Design Matrix;
Audit Planning				
Audit Execution			Inadequate knowledge or skills for	

		performance auditors	execution- Audit Finding Matrix, evidence collection technique and data analysis; Reporting)
Audit Reporting			

Key Role 3: Compliance Assessor				
Key Competencies	**Description of Proficiency Level**	**Performance (competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**
Domain knowledge on CA standards	An audit officer at P3 position level who exhibits clear understanding of important concepts and performs tasks independently with appropriate guidance from supervisors	Not competent	Lack of knowledge on CA standards for financial and performance auditors Inadequate knowledge on CA Standards for compliance auditors	Familiarization (CA Standards)
Selection of audit topics Audit Planning Audit Execution Audit Reporting		Not competent	Lack of knowledge or skills in compliance auditing for financial and performance auditor Inadequate knowledge or skills for compliance auditors	Training (Compliance Audit including selection of audit topics, planning- internal control assessment, risk assessment, materiality, Audit Planning Matrix; execution- audit sampling, evidence collection technique; Reporting)

2.7.3. Training Needs Assessment at Advanced Level

Key Role : All three Key Roles				
Key Competencies	**Description of Proficiency Level**	**Performance (Competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**

Knowledge on Public Financial Management System including role of auditing in promoting good governance in public sector	An audit officer at P2 Position level who manages a team, understands complex concepts, defines approaches, adapts to changes, and analyses complex situations.	Not competent	Not aware of the changing trends and updates in financial reforms. VFM Promoters not conducting Financial Audit.	Sensitization/Awareness on the latest reforms in Public Financial Management System, Good Governance, Public Accountability and Transparency
Audit Documentation		Not competent	Audit teams lack awareness on the importance of ARMS in documentation of audit creating big data for RAA Current job not requiring to use the ARMS software	Refreshers on ARMS software to provide awareness on the importance of ARMS in creating big data for RAA
Quality Assurance		Not competent	Quality Assurance started recently Delineation of QA from field auditing	Training on Quality Assurance on Auditing: FA, PA & CA
Follow-up		Not competent	Follow-up mechanisms are not adequate to assess the implementation of audit recommendation or impact or benefit drive from the audit report Delineation of QA from field auditing	Awareness on latest reforms in Follow-up process
Lead by Example		Not competent	Lacks adequate knowledge of inclusiveness and the existing facilities are	Familiarization and Awareness on inclusiveness and gender

			mostly built without such ideas. Not aware of leadership styles. Not well versed in the style and application of leadership skills	perspective for auditing Walking the Talk Leading and keep leading Not demotivating self and team
Engagement and communication		Not competent	Challenging to get message through non-verbal communication especially when it includes cryptic verbal messages	Negotiation and Collaboration for RAA's credibility and visibility Decoding non-verbal communications
Professionalism		Not competent	Inadequate knowledge of IT tools Analysis and visualization techniques are not used adequately due to the limited capacity of the auditors Coaching and knowledge sharing activities are hardly done due to time constraints Need deeper understanding of professional skepticism and judgment.	Knowing small parts of Big Vision Critical Thinking and Problem Solving Enhancement Program Data Interpretation and Analysis: including Predictive Analytics Coaching and knowledge sharing on professional judgment and skepticism
Team Work		Not competent	The concept of teamwork understood to me I feel is very superficial, yet	How can your team perform better?

			to understand the technicality.	Negotiation Skills
			Lack of deeper understanding of the subject of negotiation skills.	
Change Management		Not competent	Involuntary and unconscious resistance to change innate nature	Embracing change to manage change
			Not enough opportunities to be part of change management	Policies and strategies to include auditors in change management

Key Role 1: Financial Statements Examiner				
Key Competencies	**Description of Proficiency Level**	**Performance (competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**
Domain knowledge on accounting standards	An audit officer at P2 Position level who manages a team, understands complex concepts, defines approaches, adapts to changes, and analyses complex situations.	Not competent	Lack/inadequate knowledge for PA & CA Not at all trained in applying accounting standards	Training on Financial Audit to auditors of PA, CA, RQAD, & FUCD Refreshers on FA to FS Examiners
Domain knowledge on FA standards		Not competent	Limited knowledge in FA standards	Training on Financial Audit to auditors of PA, CA, RQAD, & FUCD Refreshers on FA to FS Examiners
Audit Planning		Not competent	Not familiar with ROMMs Have to have an adequate training on materiality and forming conclusion	Training on Financial Audit to auditors of PA, CA, RQAD, & FUCD Training on assessment of risks, materiality in

Audit Execution		Not competent	Lack/inadequate knowledge for PA & CA Lack of adequate training in audit sampling Unclear on how we know whether the audit evidence is sufficient and appropriate to provide the basis for audit findings. Lack of knowledge in procurement audit of civil and construction work	relation to forming audit conclusions.
				Training on Financial Audit to auditors of PA, CA, RQAD, & FUCD Interpreting audit sampling techniques and its adequacy How sufficient is your team's audit evidence? A workshop to bring about a common understanding amongst the team leaders Training on Procurement Audit: Civil Works
Audit Reporting		Not competent	Lack/inadequate knowledge for PA & CA	Training on Financial Audit to auditors of PA, CA, RQAD & FUCD Awareness on reforms and updates in financial audit reporting

Key Role 2: Value for Money Promoter				
Key Competencies	**Description of Proficiency Level**	**Performance (competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**
Domain knowledge on Performance Auditing standards	An audit officer at P2 Position level who manages a team,	Not competent	Lack/inadequate knowledge for FA & CA	Training on Performance Auditing to auditors of FA,

	understands complex concepts, defines approaches, adapts to changes, and analyses complex situations.		No field experience in Performance Auditing	CA, RQAD, & FUCD
Selection of PA topics		Not competent	Lack/inadequate knowledge for FA & CA Some of the criteria are not clear and there is still confusion on this.	Training on Performance Auditing to auditors of FA, CA, RQAD, & FUCD Refreshers course on Performance Audit with session on criteria on topic selection
Audit Planning		Not competent	Lack/inadequate knowledge for FA & CA Despite fulfilling all the requirements, it is difficult to give assurance on the adequacy of subject matter knowledge Requires detail study on the subject matter and the risk identified	Training on Performance Auditing to auditors of FA, CA, RQAD, & FUCD Refreshers course on Performance Audit with specific session on acquiring sufficient knowledge of the subject matter Training on Audit Risk Assessment and Materiality
Audit Execution		Not competent	Lack/inadequate knowledge for FA & CA Inadequate knowledge on determining sufficiency and appropriateness of audit evidence. Lack of knowledge on data visualization tools.	Training on Performance Auditing to auditors of FA, CA, RQAD, & FUCD Interpreting audit sampling techniques and its adequacy How sufficient is your team's audit evidence? Workshop for common

Key Competencies	Description of Proficiency Level	Performance (competent/Not competent)	Likely reason for performance gap	Methods of Intervention/Training Requirement
				understanding amongst the team leaders Training on infographics and data visualization
Audit Reporting		Not competent	Lack/inadequate knowledge for FA & CA	Training on Performance Auditing to auditors of FA, CA, RQAD, & FUCD
Key Role 3: Compliance Assessor				
Key Competencies	**Description of Proficiency Level**	**Performance (competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**
Domain knowledge on Compliance Auditing standards	An audit officer at P3 or P2 Position level who manages a team, understands complex concepts, defines approaches, adapts to changes, and analyses complex situations.	Not competent	Lack/inadequate knowledge for FA & PA	Training on Compliance Auditing to auditors of FA, PA, RQAD, & FUCD
Selection of CA topics		Not competent	Lack/inadequate knowledge for FA & PA	Training on Compliance Auditing to auditors of FA, PA, RQAD, & FUCD
Audit Planning		Not competent	Lack/inadequate knowledge for FA & PA	Training on Compliance Auditing to auditors of FA, PA, RQAD, & FUCD
Audit Execution		Not competent	Lack/inadequate knowledge for FA & PA	Training on Compliance Auditing to auditors of FA, PA, RQAD, & FUCD Interpreting audit sampling techniques and its adequacy

				How sufficient is your team's audit evidence? Workshop for common understanding amongst the team leaders
Audit Reporting		Not competent	Lack/inadequate knowledge for FA & PA	Training on Compliance Auditing to auditors of FA, PA, RQAD, & FUCD

2.7.4. Training Needs Assessment at Proficient Level

Key Role 1: All three Key Roles				
Key Competencies	Description of Proficiency Level	Performance (competent/Not competent)	Likely reason for performance gap	Methods of Intervention/Training Requirement
Quality Assurance	A manager at P1 Position Level who is subject matter experts, takes decisions impacting functional areas, provides inputs to strategies, policies, development and changes and also responsible for creating an enabling environment for the teams to carry out their tasks effectively.	Not competent	Lacks knowledge on Quality Assurance.	Quality Assurance training on FA, PA & CA.
Follow-up		Not competent	Lacks knowledge on follow-up.	Familiarization on follow-up.
Lead by example		Not competent	Inadequate leadership skills	Leadership development and management training.
Engagement and communication		Not competent	Inadequate communication skills. Lack of stakeholder engagement skills.	Effective communication, negotiation skills training
Professionalism		Not competent	Limited knowledge on information technology. Limited opportunity to strive for continuous learning and growth.	Training on emerging technologies.

Team Work		Not competent	Inadequate team management skills.	Training on team management.
Change Management		Not competent	Inadequate skills to manage effectively the change management.	Sensitization/familiarization on change management. Coaching and mentoring on change management.

Key Role 1: Financial Statements Examiner				
Key Competencies	**Description of Proficiency Level**	**Performance (competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**
Domain knowledge on accounting standards	A manager at P1 Position Level who is subject matter experts, takes decisions impacting functional areas, provides inputs to strategies, policies, development and changes and also responsible for creating an enabling environment for the teams to carry out their tasks effectively.	Not Competent	Lacks knowledge on accounting standards.	Familiarization on Bhutanese accounting system and financial reporting framework.
Domain knowledge on FA standards		Not competent	Lacks knowledge on Financial Audit Standards.	Familiarization on any reforms/changes related to FA standards and methodologies.
Audit Planning		Not competent	Lacks knowledge on Financial Audit	Training on Financial Audit (for PA and CA managers)
Audit Execution		Not competent		
Audit Reporting		Not competent		

Key Role 2: Value for Money Promoter				
Key Competencies	**Description of Proficiency Level**	**Performance (competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**
Domain knowledge on	A manager at P1 Position Level who is	Not competent	Lacks knowledge on Performance	Familiarization on any reforms/changes related to PA

Performance Auditing standards	subject matter experts, takes decisions impacting functional areas, provides inputs to strategies, policies, development and changes and also responsible for creating an enabling environment for the teams to carry out their tasks effectively.		Auditing Standards.	standards and methodologies.
Selection of PA topics		Not competent	Lacks knowledge on performance auditing.	Training on performance auditing (for FA and CA managers)
Audit Planning		Not competent		
Audit Execution		Not competent		
Audit Reporting		Not competent		

Key Role 3: Compliance Assessor				
Key Competencies	**Description of Proficiency Level**	**Performance (competent/Not competent)**	**Likely reason for performance gap**	**Methods of Intervention/Training Requirement**
Domain knowledge on Compliance Auditing standards	A manager at P1 Position Level who is subject matter experts, takes decisions impacting functional areas, provides inputs to strategies, policies, development and changes and also responsible for creating an enabling environment for the teams to carry out	Not competent	Lacks knowledge on Compliance Auditing Standards.	Familiarization on any reforms/changes related to CA standards and methodologies.
Selection of CA topics		Not competent	Lacks knowledge on Compliance Auditing	Training on compliance auditing (for PA and FA managers)
Audit Planning		Not competent		
Audit Execution		Not competent		
Audit Reporting		Not competent		

	their tasks effectively.			

2.7.5. Proposed Long-term Training

Currently, the RAA has a total of 71 audit officers in PMC holding bachelor's degree with number of services ranging from 1 to 22 years. As shown below in Figure 6, there are 44 employees whose number of services are more than 6 years without masters' degree.

Figure 6: Comparison of Audit Officer holding Bachelors degree by number of service
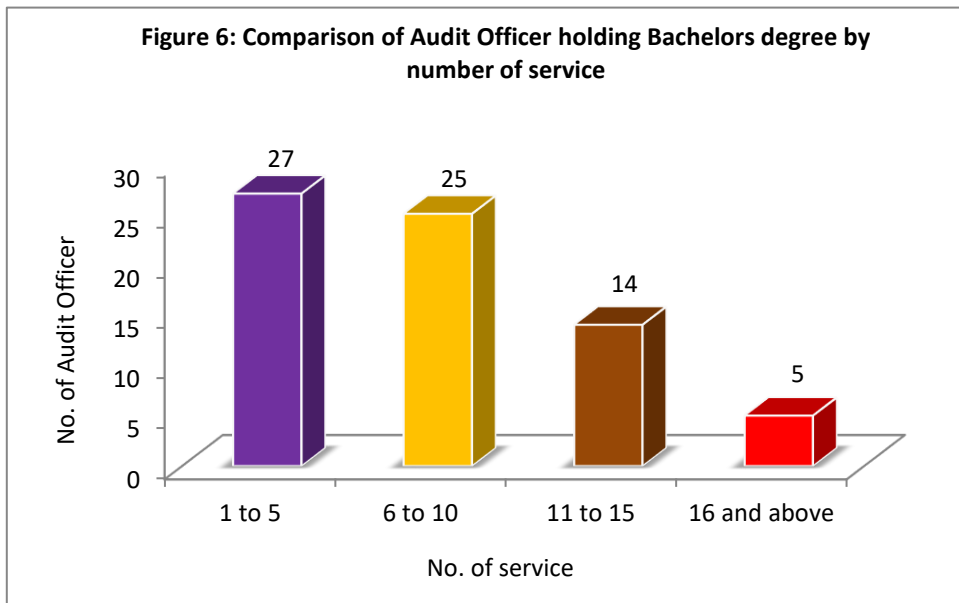
Based on the above statistics and competency gap identified in TNA, the following long-term training is proposed to enhance professionalism in the audit service.

Course Title	Priority			Number of Slots	Remarks
	Immediate (2020-2021)	Medium (2021-2022)	Long-term(2023+)		
1. Certified Professional Accountant	Yes	Yes	Yes	10	Currently. two audit officers are undergoing CPA in RIM
2. Professional Accountancy		Yes	Yes	6	
3. Civil Engineering (relevant to construction audit)		Yes	Yes	3	

			Yes	Yes	2	
4.	Information Technology & Management (relevant to IT audit)		Yes	Yes	2	
5.	Data science/ data Analytics (relevant to all types of audit)		Yes	Yes	10	
6.	Environmental Sciences (environmental audits- SDG themes)		Yes	Yes	2	
7.	Social Sciences (Economics, Public Policy - performance audits)		Yes	Yes	3	
8.	Business Administration	Yes			4	Currently, two audit officers are undergoing MBA in RIM.
9.	Forensic accounting/auditing		Yes	Yes	3	
Total:					**43**	

2.8. Developing Learning Objectives

The framework has highlighted the likely reasons of the gaps and interventions where proposed above. In order to provide a capacity building program, the following are the expected learning objectives. The respective proficiency level officials will be able to achieve the objectives mentioned against each of the training.

Foundation Proficiency Level		
Sl. No	**Methods of Intervention/Training**	**Learning Objectives**
1	Induction Program/Training (Public Finance Management, Government Accounting System, ePEMs, Role of RAA Public Accountability Framework)	By the end of the Induction/training program, the auditors will be able to gain knowledge on the PFMS, Government Accounting System and role of RAA in Public Accountability Framework
2	Induction Program/Training (Audit Working Papers, ARMS)	By the end of the Induction/training Program, the auditors will be able to maintain the audit working papers properly and access ARMS effectively
3	Induction Program/Training (Quality Control and Quality Assurance process using FA, PA and CA checklists and guidance tools)	By the end of the Induction/training Program, the auditors will be able to learn the quality control and quality assurance process using FA, PA and CA checklists and guidance tools

4	Induction Program/Training (Training on Follow-up Process)	By the end of the Induction/training Program, the auditors will be able to learn the Follow-up Process in line with the existing policies and procedures
5	Induction Program/Training (Awareness/sensitization on Code of Conduct and Ethics) Critical Thinking)	By the end of the Induction/training Program, the auditors will be sensitized on the Code of Conduct and Ethics of the auditors and its importance
6	Induction Program/Training (Critical Thinking, Communication and Interpersonal Skills)	By the end of the Induction/training Program, the auditors will be introduced to critical thinking, communication and interpersonal skills imperative to individuals to develop their leadership skills
7	Induction Program/Training (CAATs including data analytics tools, data visualization tools, and building simple query in SQL)	By the end of the Induction/training Program, the auditors will be introduced to data analytics tools, data visualization tools, and building simple query in SQL
8	Induction Program/Training (Team Building)	By the end of the Induction/training Program, the auditors will be introduced to the dynamics of team building
9	Induction Program/Training (Fundamentals of Change Management)	By the end of the Induction/training Program, the auditors will be introduced to the fundamentals of change management
10	Induction Program/Training (Sensitization on Bhutanese Accounting Standards and Financial Reporting Framework)	By the end of the Induction/training Program, the auditors will be sensitized on Bhutanese Accounting Standards and Financial Reporting Framework
11	Induction Program/Training (Introduction to FA Concepts, Standards and Manuals)	By the end of the Induction/training Program, the auditors will be introduced to FA concepts, standards and manuals
12	Induction Program/Training (Financial Audit Process which includes Planning, Execution and Reporting) Note: Themed based such as Construction, and Procurement	By the end of the Induction/training Program, the auditors will be introduced to Financial Audit Process which includes Planning, Execution and Reporting covering themes such as Construction, and Procurement audits
13	Induction Program/Training (Introduction to PA Concepts, Standards and Manuals)	By the end of the Induction/training Program, the auditors will be introduced to PA concepts, standards and manuals
14	Induction Program/Training (Performance Audit Process which includes Topic Selection, Planning, Execution and Reporting) Note: Theme based such as Environment and Information Technology	By the end of the Induction/training Program, the auditors will be introduced to Performance Audit Process which includes Topic Selection, Planning, Execution and Reporting covering themes such as environment and IT audits
15	Induction Program/Training (Introduction to CA Concepts, Standards and Manuals)	By the end of the Induction/training Program, the auditors will be introduced to CA concepts, standards and manuals

16	Induction Program/Training (Compliance Audit Process which includes Topic Selection, Planning, Execution and Reporting) Note: Themed based such as Construction, Procurement, Environment, Information Technology)	By the end of the Induction/training Program, the auditors will be introduced to Compliance Audit Process which includes Topic Selection, Planning, Execution and Reporting covering themes such as Construction, Procurement, environment and IT audits
Intermediate Proficiency Level		
Sl. No	**Methods of Intervention/Training**	**Learning Objectives**
1	Refresher course on Public Finance Management, Government Accounting System, Role of RAA in Public Accountability Framework	By the end of the refresher course, the auditors will be able to refresh their knowledge on updated PFMS, Government Accounting System and role of RAA in Public Accountability Framework.
2	Refresher course on ePEMS	By the end of the refresher course, the auditors will be able to use ePEMS for audit planning by downloading the financial statements for a particular audited agency.
3	Refresher course on Audit Working papers and ARMS	By the end of the refresher course, the auditors will be able to adequately maintain audit working papers in ARMS.
4	Training on Quality assurance (for FA, PA and CA using quality assurance tools and guidance)	By the end of the training, the auditors will be able to apply the knowledge gained to conduct quality assurance of FA, PA and CA using quality assurance tools.
5	Training on Follow-up review process (for FA,PA and CA, developing further comments, preparing review reports, conducting impact assessment)	With the given training, the auditors will be able to carry out follow-up of FA, PA and CA efficiently within stipulated time frame.
6	Training on leadership skills (Communication skills, team building, change management)	By the end of the training, the auditors will be able develop their leadership skills.
7	Training (CAATs - Excel and IDEA, KNIME, etc)	With the given training, the auditors will be able to build skills in using computer assisted auditing tools such as IDEA, KNIME, Excel, etc.
8	Training (Data analytics and data visualization)	By the end of the training, the auditors will be able to apply data analytics techniques in auditing and use of data visualization.
9	Training (Building simple query in SQL)	With the given training, the auditors will be able to build simple SQL queries to retrieve data or information from audited agencies' databases for auditing purposes.
10	Training on financial reporting framework (Bhutanese accounting standards, principles and rules)	With the given training, the auditors will be able gain knowledge on financial reporting framework, Bhutanese accounting standards, principles and rules.

11	Familiarization on FA, PA and CA Standards	The auditors will be familiarized with Financial Audit, Performance Audit, and Compliance Audit Standards.
12	Training on Financial Audit (including planning, execution , Reporting, Risk assessment, Audit Sampling Evidence Collection methods and techniques)	By the end of the training, the auditors will be able to plan, conduct and report financial audits.
13	Training on Performance Audit (including selection of audit topics, planning, execution and Reporting)	By the end of the training, the auditors will be able to plan, conduct and report performance audits.
14	Training on Compliance Audit (including selection of audit topics, planning, execution and Reporting)	By the end of the training, the auditors will be able to plan, conduct and report compliance audits.
15	Training on IT Audit	With the given training, the auditors will be able to plan, conduct and report IT audits by applying the knowledge gained from the training.
16	Training on Environmental Audit	With the given training, the auditors will be able to plan, conduct and report Environmental audits by applying the knowledge gained from the training.
17	Training on Procurement and Civil Works Audit	Given the training on Audit of Civil Works, the auditors will be able to conduct construction and procurement audits by applying the knowledge gained from the training.
18	Training on SDG audits	With the given training, the auditors will be able to plan, conduct and report SDG audits by applying the knowledge gained from the training.
Advanced Proficiency Level		
Sl. No	**Methods of Intervention/Training**	**Learning Objectives**
1	Sensitization/Awareness on the latest reforms in Public Financial Management System, Good Governance, Public Accountability and Transparency	Given the sensitization program, the team leaders will be able to upgrade the latest reforms in PFMS, Good Governance, Public Accountability and Transparency for better decision making.
2	Refresher course on ARMS software to provide awareness on the importance of ARMS in creating big data for RAA	Given the refreshers course, the team leaders will be able to recognize the importance of ARMS in creating big data for RAA and encourage their teams to use it all times.
3	Training on Quality Assurance on Auditing: FA, PA & CA	Given the training on QA on Auditing, the team leaders will be able to recognize the Quality Assurance process and conduct QA as specified in the QA Handbooks for quality audit reports.
4	Awareness on reforms in Follow-up process	With the awareness program, the team leaders will be able to upgrade the follow-up process and conduct follow-up effectively for timely intervention.

5	Awareness on inclusiveness and gender perspective for public sector auditing	With the awareness program, the team leaders will be able to apply social inclusiveness and gender perspective for public sector auditing in line with the sustainable development goals.
6	Training on Leadership Skills (Effective Communication, Negotiation and Collaboration, critical thinking, Problem Solving, team management, change management)	Given the training on leadership skills, the team leaders will be able lead by example and continue to lead with motivation and higher emotional intelligence to the extent that the team members remain inspired and motivated throughout auditing.
7	Training on Data Interpretation and Analysis: including Predictive Analytics	Given the training on Data Interpretation and Analysis, the team leaders will be able to synthesize data for enhancing audit focus through improved forecasting/assessment of audit risk.
8	Coaching and mentoring	With the coaching and mentoring program, the team leaders will be able to coach and mentor the team members
9	Training on Financial Audit to auditors of PA, CA, RQAD, & FUCD	Given the training on Financial Audit, the team leaders of PA, CA, RQAD & FUCD will be able to conduct (plan, execute and report) financial audits as per the financial auditing standards.
10	Training on Audit Risk Assessment and Materiality	With the refreshers course on Audit Planning: Assessment of Risk and Audit Materiality, the team leaders will be able to reinforce the assessment of risks and materiality for better audit planning to reduce errors in forming audit conclusions.
11	Training on audit sampling techniques	Given the training on Audit Sampling techniques, the audit team leaders will be able to review sampling techniques for adequate audit samples.
12	Training on Procurement and Civil Works Audit	Given the training on Audit of Civil Works, the team leaders will be able to review construction audits of their team and provide valuable feedback for quality audit execution.
13	Training on Performance Auditing to auditors of FA, CA, RQAD, & FUCD	Given the training on Performance Audit, the team leaders of FA, CA, RQAD & FUCD will be able to conduct (plan, execute and report) performance audits as per the performance auditing standards.
14	Training on infographics and data visualization	Given the training on infographics and data visualization, the team leaders will be able to prepare audit reports to ensure effective communication with intended users.
15	Training on Compliance Auditing to auditors of FA, PA, RQAD, & FUCD	Given the training on Compliance Audit, the team leaders of PA, CA, RQAD & FUCD will be able to conduct (plan, execute and report) compliance audits as per the compliance auditing standards.
16	Training on IT Audit	Given the training IT Audit, the team leaders will be able to plan, conduct and report IT audits.
17	Training on Environmental Audit	Given the training on Environmental Audit, the team leaders will be able to plan, conduct and report

		Environmental audits.
Proficient Proficiency Level		
Sl. No	**Methods of Intervention/Training**	**Learning Objectives**
1	Quality Assurance training on FA, PA & CA.	Given the training, the proficient level auditor will be able to apply the knowledge of FA, PA & CA and provide recommendations accordingly.
2	Training on Leadership development and management (Communication skills, negotiation skills, team management, change management)	Given the leadership training, the proficient level auditor will be able to exhibit and apply leadership skills.
3	Training on emerging technologies.	After the refresher course, the proficient level auditor will be able to use and apply information technology.
4	Coaching and mentoring workshop	The proficient level auditor will be able to know and apply the skills of coaching and mentoring.
5	Training on Financial Audit	By the end of the training, the proficient level auditor will be able to review the appropriateness and sufficiency of FA planning as per FA standard and provide recommendation accordingly.
6	Training on Performance Audit	By the end of the training, the proficient level auditor will be able to review the identified performance audit topics. Will be able to study and analyze its significance, relevancy, auditability and accordingly provide recommendations.
7	Training on Compliance Audit	Given the training, the proficient level auditor will be able to review, assess and evaluate the identified Compliance Audit topics and accordingly provide recommendations.

2.9. Implementation of Competency based Framework

The implementation of training and other CDI has to be based on the mandatory CDI listed under section 2.7.6 of this document. The mandatory list of CDI includes all the interventions that are found to be "Not Competent" under the Training Needs Analysis. However, for implementation, it has to be prioritized based on the following:

 a. Most critical area of intervention without its intervention will lead to non-performance
 b. Interventions which are reflected as "Not Competent"
 c. Availability of the resource allocation

For implementation, the prioritization has to be done on the annual basis by the concerned department/division and the HR Division of the agencies.

2.10. Recommendations

1. One important output from the Competency based Framework for Audit Officers is the identification of training based on training needs assessment. A total of 58 short-term training were identified for four proficiency levels ranging from 7 to 18 for each level.

   To efficiently and economically implement the capacity development, the training identified will be prioritized and included in the annual capacity development training calendar of the Professional Development Centre (PDC). Training for the four levels of proficiency will be implemented based on the proposed ratio tabled below:

S/n	Level of Proficiency	No. of Training	Proportion and No. of Training			
			In-house Training at PD Centre		In-country/Ex-country Training out of PDC	
1	Foundation	16	80%	13	20%	3
2	Intermediate	18	70%	13	30%	5
3	Advanced	17	60%	10	40%	7
4	Proficient	7	50%	4	50%	3
Total		**58**		**40**		**18**

   As shown in the table, 40 out of 58 training will be conducted at PDC through yearly in-house capacity development programs and the remaining 18 will be outsourced from institutes within and outside the country. PDC will be soon creating eLearning environment in the centre and some of the trainings will be delivered through this platform. For the foundation and intermediate levels of proficiency, 80% to 70% of the training would be implemented and for the advanced and proficient levels, the proportion of implementation would be 60% to 50%, and the remaining programs which are beyond the capacity of the centre would be outsourced to training institutions within and outside the country.

   As for the nine long-term training identified through CBF, programs such as CPA and MBA are proposed to be implemented in the institutions within the country and the other long-term programs are proposed to be implemented abroad. For the audit officers to be professionals, 80% of the programs are proposed to be implemented by the end of 12th Five Year Plan.

2. Second output from the CBF is that it has laid out basic competency requirements for audit officers in three disciplines of audits. With the foundation of competency for

audit officers in place, the management could take following HR interventions properly:

    i.   Based on the desired requirements, the audit officers could be assessed for their competence in three audit disciplines. The task force recommends for gradual integration of the CBF into the performance evaluation/management of our audit officers to build/motivate our human resource capacity;

   ii.   Currently, transfers of audit officers to different regional offices and divisions have been carried out to address immediate man-power gap without building the required competencies. The CBF for Audit Officers could be used to equip the audit officers with specific competencies to perform the required tasks efficiently; and

  iii.   CBF for Audit Officers could be used as a guide in succession planning. Presently, there is no proper method to assess the competency gaps of audit officers, which poses difficulties in identifying intervention for succession planning. With the competency framework in place, the management would be able to identify required competency gaps and initiate accurate interventions for better succession plan.

2.11. Conclusion

Audit Officers play a key role in promoting good governance and public accountability through auditing and reporting ensuring prudent, economic, efficient and effective use of public resources. Its mandate is clearly derived from the Constitution of the Kingdom of Bhutan 2008 and Audit Act 2018. It has become imperative more than ever to develop the competencies of the audit officers to perform their duties efficiently and effectively in fulfilling and achieving its mandate.

The Competency Based Framework for the audit officers was developed with the main objective to build the competencies of the audit officers making them highly knowledgeable, skilful and competence in delivering efficient and effective audit services of highest standards.

A total number of three key roles were identified under the CBF of an audit officer, which are Financial Statement Examiner, VFM Promoter and Compliance Assessor. Under the three key roles of the audit officer, four proficiency levels and two competency areas were identified namely Behavioral Competency and Functional Competency. Further, a total of 24 key competences were identified under the two competency areas and 47 behavioural indicators.

The Royal Civil Service Commission trained the task force members of the CBF through a workshop. The task force members drafted the CBF through several consultations and validation by the management. Survey questionnaires were developed different

proficiency levels to considering the behavioral indicators for each key role and circulated to identify competency gaps and also to conduct the training need assessment.

This document is expected to assist and guide the RAA to plan and develop competencies of its employees through various interventions and inculcate an attitude of continuous learning and development. It is important to identify their competencies and gaps and accordingly develop the areas that are lacking in order to move to a higher proficient level and deliver its services in an efficient and effective manner.

The framework identified the current performance gaps through the training need assessment for each role, competency areas, key competencies and behavioral indicators. Various interventions to improve the competencies of the audit officers through induction program, training, mentoring, coaching, refresher courses and long term training were identified. The list of long term training identified were prioritized based on the gaps and the needs of the organization.

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