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Educating the Auditors: Recommendations for Addressing General, Behavioral, and Technical Competency Needs in Collegiate Accounting Programs

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#### **Introduction**

The Institute of Internal Auditors (IIA) performed the <u>"Common Body of Knowledge 2010</u> <u>Global Internal Audit Survey</u>" (GIAS 2010) to evaluate the perceptions of professional auditors and their clients (stakeholders) of the auditors' General, Behavioral, and Technical competencies.

As a result of the study, the following competencies were identified....

#### General competencies:

- Written communication skills\*
- Verbal communication skills\*
- Listening communication skills\*
- Problem-identification skills

# **Problem Statements**

## lf:

- 1. The *real* value added by professional internal auditors is directly related to their levels of General, Behavioral, and Technical competencies; and,
- 2. Auditors' perceptions of their own levels of competencies = actual levels of competencies; and,
- 3. Auditors' perceptions of their levels of competencies differ from their clients' (i.e., stakeholders') perceptions,

#### Then:

1. Lack of or perceived lack of competency levels correlates with the <u>inability to effectively add value</u> to audit stakeholders;

- Problem-solving skills
- Ability to demonstrate/promote the value of internal audit function\*
- Knowledge of auditing and regulatory standards\*
- Organization and presentation skills\*
- Conflict resolution skills

Behavioral competencies:

- Maintain confidentiality\*
- Objectivity\*
- Judgment\*
- Works well with all management levels\*
- Ethics\*
- Team player
- Relationship building
- Works with minimal oversight
- Leadership
- Professionalism

Technical competencies:

- Understanding the business
- Ability to identify risk\*
- Ability to articulate risk\*
- Business process analysis
- Data collection and analysis tools and techniques
- Project management of the audit\*

- 2. Clients' low perceptions of auditors' competency levels correlates to <u>low levels of trust;</u>
- Clients' low levels of trust in audit professionals correlates to <u>low</u> <u>utilization of auditors' competencies</u>, potentially <u>less effective</u> <u>involvement of auditors</u>, and potential <u>failure to obtain available value</u> from the services of auditors; and,
- 4. Educators and trainers of professional auditors, as well as auditors themselves and their managers, <u>must adopt educational and</u> <u>professional development practices to ensure auditors attain</u> <u>acceptable levels</u> of General, Behavioral, and Technical competency standards.

What Can Educators Do to "Close the Gap"?

**Recommendations for Educators of Auditors** 

- 1. Conflict Resolution & Negotiation:
- a. Improve listening skills
- b. Improve personality trait knowledge, recognition, and communication
- 2. Business Process Analysis:

#### **Survey Results Indicate Potential Competency Issues**

Comparing perceptions of auditor competencies - internal auditors' vs. their clients (stakeholders)

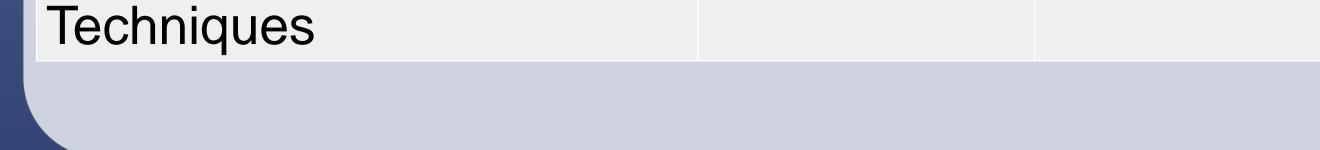
Competency	Internal Auditors' Self-Ratings of Very Good or Excellent	Stakeholders' Ratings of Internal Auditors
Conflict Resolution and Negotiation Skills	64%	59%
Business Process Analysis	72%	59%
Ability to Demonstrate & Promote the Value of the Internal Audit Function	62%	60%
Data Collection and Analysis Tools and	58%	69%

- a. Teach and practice analytical skills
- b. Teach and practice business process analysis
- 3. Promote Value of Internal Auditing:
- a. Improve communication skills, especially impromptu public speaking skills
- b. Ensure auditors are well-informed about ways they add value to their organization
- 4. Data collection and analysis tools and techniques:
- a. Identify specific data collection and analysis skills needed for audits
- b. Train auditors on these skills to acceptable level of competence

## **References**

IIA Research Foundation, 2013. *Value and competency: the stakeholder perspective*. Altamonte Springs, FL: Author.

PwC, 2014. 2014 State of the Internal Audit Profession Study. New York



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