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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 *“Common Body of Knowledge 2010 Global Internal Audit Survey”* (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-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*

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 Techniques | 58% | 69% |

Problem Statements

If:

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 inability to effectively add value to audit stakeholders;
2. Clients’ low perceptions of auditors’ competency levels correlates to low levels of trust;
3. Clients’ low levels of trust in audit professionals correlates to low utilization of auditors’ competencies, potentially less effective involvement of auditors, and potential failure to obtain available value from the services of auditors; and,
4. Educators and trainers of professional auditors, as well as auditors themselves and their managers, must adopt educational and professional development practices to ensure auditors attain acceptable levels 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:
 - 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