

SECTION 3: THE CURRICULUM FRAMEWORK OF SPECIFIC COMPETENCIES

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LEARNING AREA 1

THE SOCIAL ACCOUNTABILITY AND RESPONSIBILITY AREA

An RA should be able to:

Evaluate the circumstances of a specific situation and make appropriate decisions and take appropriate actions regarding the lines of accountability and responsibility between relevant parties.

Specific competencies

In order to meet the requirements of this learning area, an RA should be able to, within the context of the audit or related service engagement:

1.1 Accountability

Assess, consider the impact of and explain the role of the auditing profession in society with reference to broad accountability issues.

1.2 Professional conduct

Identify, assess and make appropriate decisions and take appropriate actions regarding his/her professional and ethical conduct so as to comply with the code of professional conduct and disciplinary rules prescribed by the IRBA.

1.3 Auditing standards

Identify, consider the impact of, explain and apply relevant statements of auditing standards.

1.4 Auditing Profession Act

Identify, consider the impact of, make decisions and take actions and/or make appropriate recommendations regarding the application of the requirements of the APA.

1.5 Other laws and regulations

Identify, consider the impact of, and make decisions and take actions, including seeking appropriate professional advice regarding the requirements of relevant statutes and regulations and the consequences thereof for the operations of private and public sector entities.

1.6 Auditor liability

Identify, consider the impact of, and make decisions and take actions, including seeking appropriate professional advice regarding the possible legal liability of the auditor in relation to clients and third parties.

LEARNING AREA 2

THE ORGANISATIONAL AND BUSINESS AREA

An RA should be able to:

Analyse, evaluate and take appropriate action and/or give advice, as appropriate, with respect to the business sector, organisational structure, business strategies and business processes of a particular client within the context of the audit or related service engagement.

Specific competencies

In order to meet the requirements of this learning area, an RA should be able to, within the context of the audit or related service engagement:

2.1 Local economic and business environment

Identify, consider the impact of and comment on the strategic objectives of private and public entities and non-profit organisations with reference to the economic, legal, political, social, and cultural factors that affect the environments in which these entities operate, and the effect of macro- and micro-economics on the entity.

2.2 Global business environment

Identify, consider the impact of and comment on the possible effect of international trade and finance on a particular organisation on the basis of a general understanding of the ways in which international business is conducted.

2.3 Organisational behaviour

Identify, consider the impact of and comment on the possible effect of organisational behaviour on the entity.

2.4 Operations management

Identify, consider the impact of and comment on the appropriateness of management processes, including organisational strategy, and personnel, operational and marketing issues.

2.5 Corporate governance

Make decisions and take actions and make appropriate recommendations with regard to the principles of corporate governance and the effectiveness of the implementation of corporate governance policies and procedures.

2.6 Quantitative methods

Apply quantitative methods and statistics to particular business problems, analyse and evaluate the results of these methods, draw appropriate conclusions and make appropriate recommendations to management.

LEARNING AREA 3

THE AUDITING FUNCTION AREA

An RA should be able to, with respect to the relevant engagement:

Representational audits

Design and implement methodologies for examining, verifying, evaluating and reporting on financial or non-financial representations of organisations.

Compliance audits

Design and implement methodologies for examining, verifying, evaluating and reporting on the degree of compliance of activities, systems or processes within an organisation with internally or externally generated policies, standards, legislation or other requirements.

Performance audits

Design and implement methodologies for evaluating and reporting on the effectiveness, efficiency and economy of managerial, operational or procedural processes in organisations.

Specific competencies

In order to meet the requirements of this learning area, an RA should be able to, within the context of the audit or related service engagement:

3.1 Responsibilities

Identify and establish the criteria to govern the audit report, define responsibilities relating to the detection and prevention of fraud, consider the impact of applicable laws and regulations, and appropriately communicate the terms of the engagement to clarify the respective rights, duties and responsibilities of relevant parties.

3.2 Planning

Obtain sufficient knowledge and understanding of the business to be able to determine materiality, assess material misstatement at the financial statement and assertions level, and develop and document the overall audit plan and

related audit programmes that will result in an effective audit.

3.3 Internal control

Identify, interpret and document:

- the accounting, internal control and financial reporting process,
- the significance and complexity of information technology systems,
- management's attitudes, awareness and actions regarding the importance of internal controls,

and then, on the basis of the above, use professional judgement to assess control risk at both the financial statements and assertions level.

3.4 Audit evidence

Give consideration to and evaluate alternatives and make appropriate decisions and take appropriate actions to obtain, through a combination of tests of control and substantive procedures, sufficient (quantitative) and appropriate (qualitative) evidence to reduce audit risk to an acceptably low level and to draw reasonable conclusions on which to report.

3.5 Using work of others

Identify circumstances in which reliance could be placed on the work of another RA, an internal auditor or an expert, design and perform procedures to establish the extent of reliance and obtain sufficient appropriate audit evidence to evaluate the adequacy of their work for the purpose of the specific engagement.

3.6 Concluding and reporting

Evaluate the evidence obtained and reach appropriate conclusions in order to determine and prepare the appropriate type of report to be issued for the specific engagement

LEARNING AREA 4

THE PROFESSIONAL PRACTICE AREA

An RA should be able to:

Identify, consider the impact of and make appropriate decisions and take appropriate actions regarding quality control policies and procedures, professional relationships and related aspects of practice management.

Specific competencies

In order to meet the requirements of this learning area, an RA should be able to within the context of the audit or related service engagement:

4.1 Quality control policies and procedures

Identify, consider the impact of and make appropriate decisions and take appropriate actions to implement those quality control policies and procedures that are, in the context of the policies and procedures of the audit firm and the specific engagement, necessary to ensure that the engagement is conducted in accordance with statements of relevant auditing standards.

4.2 Professional relationships

Make appropriate decisions and take appropriate actions to proactively build professional relationships by managing interactions and possible conflicts of interest between the client and the RA and other parties.

4.3 Personnel management

Within the sphere of responsibility for a particular audit or related service engagement, communicate effectively with staff in order to develop individual skills, and also provide appropriate direction, monitor and supervise the progress of work and review work performed against stated objectives.

4.4 Value-added opportunities

Seek opportunities to add value to the client's operations and make appropriate recommendations within the ambit of the professional and ethical responsibilities of an RA.

LEARNING AREA 5

THE FINANCIAL ACCOUNTING, TAXATION, MANAGERIAL ACCOUNTING AND FINANCE AREA

An RA should be able to:

Recognise the applicability of and make appropriate decisions regarding the integration and application of concepts and principles relating to financial accounting, taxation, and managerial accounting and finance in the context of the particular environment of the audit or related service engagement.

Specific competencies

In order to meet the requirements of this learning area, an RA should be able to within the context of the audit or related service engagement:

5.1 Financial accounting

Identify and make appropriate decisions regarding the accounting information

applicable to satisfy the needs of financial decision-makers and other stakeholders for financial information regarding an entity, in order to prepare, analyse and evaluate financial statements for an entity in terms of statements of Generally Accepted Accounting Practice and applicable legislation.

5.2 Control processes

Identify, consider the impact of, make decisions and take actions and make appropriate recommendations regarding the concepts, methods and processes of control that provide for the accuracy and integrity of financial data and the safeguarding of business assets.

5.3 Commercial laws and regulations

Identify, consider the impact of, make decisions and take actions and seek appropriate professional advice regarding the possible legal rights and obligations between parties and the possible legal consequences thereof in relation to the operations of private and public entities.

5.4 Taxation

Explain and assess the impact of taxation on financial and managerial decisions and apply the provisions of the law in given situations as they relate to the taxation of entities in South Africa.

5.5 Managerial accounting

Identify, consider the impact of and make appropriate decisions with regard to financial management techniques, including financial statement analysis, planning and budgeting, cost management, resource management, quality control and benchmarking.

5.6 Finance

Identify, consider the impact of and make appropriate decisions with regard to treasury functions, financial instruments and capital markets, including the obtaining of professional advice, where appropriate.

LEARNING AREA 6

THE INFORMATION TECHNOLOGY AREA

Learning area 6: Information technology framework

An RA should be able to:

Use and evaluate information technology systems and provide input into the design and management of those systems as they relate to the audit or related service engagement.

Specific competencies

In order to meet the requirements of this learning area, an RA should be able to, within the context of the audit or related service engagement:

6.1 Information technology application

Utilise hardware and software products and apply an understanding of information system operations and management system processes to provide input for the task of information production and information systems development, management and control.

6.2 Information technology management

Identify, consider the impact of and provide meaningful input into the design and implementation of information technology management principles and practices (including strategic, administrative, financial and operational issues) as they relate to system acquisition, development, implementation and maintenance functions.

6.3 Information technology design

Identify user requirements for information and provide meaningful input into the design and implementation of internal control practices to guide the development of information systems that will meet the organisation's business and service objectives.

6.4 Information technology evaluation

Obtain and document an understanding of the flow of transactions and elements of the control structure, test and evaluate relevant information system controls over financial reporting processes and asset safeguarding, and test computer-based records to establish their accuracy and substantiate financial representations.