

August 2017 Proposal to develop a new apprenticeship standard

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Q1. Please confirm that you have read the "How to" guide for Trailblazers on gov.uk (see link here), that you are content that this proposal meets all the criteria for final approval set out within it and that you have discussed the proposal with a relevant Route Relationship Manager within the Institute (Please specify who).

I have read the 'how to' guide for Trailblazers on gov.uk? Carrie White

Name of my Relationship Manager Martin Keeves

Q2. Name of proposed trailblazer group

Internal Auditor Apprenticeship Standards Steering Group

Q3. Are you an existing Trailblazer Group already with approval to develop other standard(s)? If yes or partly, please provide full details.

Yes, approval for a Level 4 Internal Audit apprenticeship standard, titled Internal Audit Practitioner. This was approved in June 2017.

Q4. Name of proposed apprenticeship standard(s).

Professional Internal Auditor (PIA)

Q5. Is this a proposed core and options standard? If yes, please give the titles for each of the options.

No

Q6. How many standards are you proposing to develop? Please be aware that commitment from at least 10 employer members for each proposed standard is required.

One

Q7. Will there be a requirement for additional new standards to be developed in the future? If so, please provide brief details of what these will be.

No

Q8. Have you submitted a proposal for an apprenticeship standard in this role(s) before? If yes, please give details below including comments from the (pre April 2017) DfE approvals panel or the Institute.

Yes. The level 7 Professional Internal Auditor proposal was submitted in April 2017 alongside a level 4 Internal Auditor Practitioner proposal. The level 4 proposal was approved; the level 7 proposal was rejected as the feedback provided was that there was a need for greater distinction between the level 7 proposal and the Accountancy/ Taxation Professional Apprenticeship Standard. We have used this new EOI to demonstrate the differences that exist between the Accountancy standard and this Internal Audit standard. This includes the attachment of a mapping document that maps the overlaps between the two L7 standards.

Q9. Please insert details about each proposed standard below.

	Name of occupation	Proposed level of the standard	Proposed as a degree apprenticeship?	Intended to replace/partly replace an existing apprenticeship Framework? [if so please give details]	Do you expect any age restrictions to apply to this standard?	Estimated annual take-up across entire relevant sector(s) (This is separate to the number of apprentices that each individual employer group member will take on)	When do you estimate this apprenticeship would be ready to deliver starts?
1	Professional Internal Auditor	7	no	no	no	30	January 2018
2	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-
6	-	-	-	-	-	-	-
7	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-

Q10. <https://www.gov.uk/government/publications/apprenticeship-standards-in-development> Please provide any relevant information below regarding potential overlap with other Trailblazer standards published or in development. It is important that you review your proposal against all other apprenticeships published and in development to confirm there is no significant overlap, in overall occupation or in the content of potential skills/knowledge/behaviours. Where there is potential of any overlap, we ask that you contact the existing Trailblazer(s) before submitting a new proposal to discuss whether the existing standards would cover your needs (or email apprenticeship.trailblazers@education.gov.uk). Please then provide below full details of any possible overlap identified, interaction with relevant Trailblazers, and any relevant further detail explaining why this occupational role is sufficiently unique to still justify separate apprenticeship standard. The existing list of standards in development, is here [The list of existing published standards and Trailblazer contact details, is here](#)

We have reviewed the standards that have already been developed and those in development, and are satisfied that there is no significant duplication with our EOI – we discuss this further below. This role has not been covered by apprenticeship frameworks in the past and presents a fantastic opportunity to introduce apprenticeships to this new occupational area. This level 7 standard will also challenge traditional methods of recruitment in the Internal Audit profession by encouraging a more diverse workforce to consider a career in internal audit.

The Internal Audit profession is a Chartered body and therefore under its Chartered is required to act in the public interest which make it a unique profession.

Attached you will find a mapping of our internal audit Level 7 standard compared to the accountancy level 7 standard. This has been completed across all three areas of knowledge skills and behaviours (each are shown on a different tab).

In our mapping we have identified that 0% is a full match on any of the knowledge, skills or behaviours. There is a 52% partial match and 48% with no match. When this is broken down by knowledge, skills and behaviours we can see that:

Comparison of KNOWLEDGE requirements between the Accountancy and Internal Audit standards:

0% full match
28% partial match
72% no match

Comparison of SKILLS requirements between the Accountancy and Internal Audit standards:

0% full match
50% partial match
50% no match

Comparison of BEHAVIOURS requirements between the Accountancy and Internal Audit standards:

0% full match
100% partial match
0% no match

We have spoken with the chair of the accountancy trailblazer and they would be happy for us to explore how we could work with them. However, after completing our mapping exercise we don't believe the level of consistency (with full matching and partial matching) warrants us exploring collaboration with them because the difference between their standard and what we need to include is too great.

Taking this into account we do not feel it would be appropriate to piggyback off the accountancy standard with 0% full match and 48% no match. We therefore recognise the need to implement a full internal audit standard at a level 7 to deliver what is required by the internal audit profession.

The "how to" trailblazer guidance recognises there will be some overlap permitted between Standards, and we believe we have demonstrated there is no significant overlap in this case so a separate Standard is warranted. We don't think a core and options approach with Accountancy will work because the core must be the majority of the apprenticeship and this would not be the case in this instance. Whilst we understand the Accountancy level 7 has recently had changes approved (awaiting publication) which include a taxation specialism, we believe it would be a stretch too far to incorporate something so disparate as internal audit into an already broad standard.

Q11. Please provide a full description below of what the occupational role involved (or roles in the case of a proposed core and options standard). The information you provide here is crucial to our assessment of whether the occupational role is suitable for an apprenticeship, so please be as comprehensive as possible, and always refer to the criteria and guidance set out in the "How to" guide for Trailblazers. In particular, the information should include: Main duties and responsibilities - please set out clearly what someone in this occupation will actually be doing; the range of environments/sectors/industries in which someone in this occupation could work; a summary of key competencies/skills etc required for full occupational competence; how the occupational role typically fits within the wider work hierarchy; who would they be working with, and what is the usual relationship between the roles.

Internal Audit as a profession

The role of Internal Audit departments is to provide an independent, objective assurance and consulting activity to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal Audit has an enterprise-wide remit and mandate, which means assessing the adequacy and effectiveness of all areas of an organisation including the Risk Management, Compliance, and Finance functions. Internal Audit is the last line of defence in an organisation, and as such, must remain impartial and independent in how they work alongside all areas of the organisation.

Internal Auditor roles will be found in the public, private and voluntary sectors, where the internal audit function is acknowledged as a cornerstone of good corporate governance essential to the success of an organisation, as recognised by the UK Corporate Governance Code (or other relevant codes of practice depending on specific sector). The profession is overseen by the Chartered Institute of Internal Auditors (CIIA), who set out guidance and standards on how the profession should manage itself and deliver internal audit services for organisations.

The accountancy profession by contrast is shown in the 1st line of defence as part of the internal control measure and management controls along with other operational functions e.g. HR, Sales. In the 2nd line of defence which is about oversight and challenge the accountancy profession is covered in the role of the Financial Controller who will provide advice and guidance, ensure that the appropriate rules and regulations are being adhered to and will also challenge the 1st line in relation to controls and processes.

Internal Auditors use technical knowledge, skills and experience to provide independent and objective assurance on the adequacy and effectiveness of risk management, corporate governance and internal control processes within an organisation. Internal control objectives considered by Internal Auditors include:

- Consistency of operations or programmes with established objectives and goals and effective performance;
- Effectiveness and efficiency of operations and employment of resources;
- Compliance with policies, plans, procedures, laws, and regulations;
- Reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information;
- Safeguarding of assets.

Internal Audit functions may also perform consulting and advisory services related to governance, risk management and control as appropriate for the organisation, and may carry out investigations over specific activities at the request of the board or management. Contrast to Accountancy remit?

Professional Internal Auditor (PIA) Role

Professional Internal Auditors (referred to as PIAs from hereon in) are recognised globally as experts in risk management, internal audit, governance and control. PIA's are highly competent professional internal auditors, capable of making a significant contribution to the success and strategic direction of an organisation at the highest possible level through being an independent voice to senior management.

The PIA will act autonomously, providing challenging and sometimes provocative insights into risks and internal controls across all areas of activity. They are required to act in an independent and objective position at all times, representing the interests of the organisation's stakeholders, whether they are public or private investors, and must therefore maintain the highest standards of professional conduct and competency; upholding ethical behaviour and integrity at all times.

The PIA is typically part of a team Auditors, potentially managing other PIAs or Internal Audit Practitioners

Q11. Please provide a full description below of what the occupational role involved (or roles in the case of a proposed core and options standard). The information you provide here is crucial to our assessment of whether the occupational role is suitable for an apprenticeship, so please be as comprehensive as possible, and always refer to the criteria and guidance set out in the "How to" guide for Trailblazers. In particular, the information should include: Main duties and responsibilities - please set out clearly what someone in this occupation will actually be doing; the range of environments/sectors/industries in which someone in this occupation could work; a summary of key competencies/skills etc required for full occupational competence; how the occupational role typically fits within the wider work hierarchy; who would they be working with, and what is the usual relationship between the roles.

(IAPs), the PIA would typically report to the Internal Audit Manager or Head of Internal Audit.

The PIA will be working towards a Level 7 apprenticeship standard, which will also equip them to complete the Certified Internal Auditor Papers 2 and 3, and the Qualification in Internal Audit Leadership examinations, which will lead to the designation of Chartered Internal Auditor status awarded by the CIIA.

Q12. Please provide an overview of the knowledge, skills and behaviours required for these roles.

The PIA's typical responsibilities include:

- Managing individual audit engagements; including planning engagements; supervising and ensuring the quality of engagements; communicating results to senior stakeholders discussing and agreeing remedial actions; monitoring engagement outcomes.
- Evaluating the inherent risk and control implications of different business processes which may include, but is not limited to key business cycles.
- Understanding the enterprise threatening risks which may jeopardise the organisation's strategy and objectives and developing and delivering a risk based audit programme to help the organisation succeed.
- Developing stakeholder relationships and acting as an independent assurer. Demonstrating a commercial awareness and evaluating the external macro environment to identify the impact of this on the organisation to provide a view of the internal risk and control landscape and using this information to influence senior stakeholders.
- Managing projects and investigations as required by senior stakeholders, which add value in function and wider organisation.

Also see the attached mapping exercise which clearly shows, on the three labelled tabs, a breakdown of the knowledge, skills and behaviours required in this role. It shows where these overlap partially, fully or no overlap to the accountancy standard.

We already have approval to progress the Level 4 standard for Internal Audit. There will be clear water between the IA Level 4 and Level 7 standards. The Level 4 standard is aimed at Internal Audit Practitioners who will be primarily aimed at entry level careers into Internal Audit and will be responsible for undertaking mainly audit testing. Those entering the profession and completing the Level 7 as a Professional Internal Auditor will be entering at a more senior level; they will be undertaking management responsibilities and will take more of an oversight role, while dealing with more senior level stakeholders.

We believe we need the two different standards to create a broader structure to ongoing career development in Internal Audit. For example someone could join as a Internal Audit Practitioner and complete the apprenticeship at level 4, following completion of this as they build experience they might move to the next level in their career, taking on greater responsibility and move organisations/industry sectors to complete the Level 7 apprenticeship.

Q13. How will the apprenticeship allow the individual to develop transferable skills to perform the role in a business of any size or relevant sector?

Skills that are developed as part of the apprenticeships which are generic and would be transferrable across different size organisations and sectors include:

- Awareness of key business processes
- Corporate governance
- Risk management principles and practices
- Internal control processes
- Effective communication, verbal and written
- Building and managing relationships

Q13. How will the apprenticeship allow the individual to develop transferable skills to perform the role in a business of any size or relevant sector?

- Influencing others
- Managing conflict/difficult situations
- Interpreting data to make decisions
- Commercial awareness, to include market sector and geographical location
- Project management, managing time, resources, quality
- People management, developing self and others, coaching and mentoring
- General business skills, e.g. use of email, word, power point etc.
- Personal resilience and flexibility

Q14. Will the occupation require rigorous and substantial training of at least 12 months prior to the end-point assessment to achieve full competence, with off-the-job training accounting for at least 20% of the apprenticeship? Please provide detail of what this will include.

The apprenticeship study programme will equip the apprentice to undertake the examinations of the Chartered Institute of Internal Auditors

- Certified Internal Auditor (CIA) – Papers 2 & 3
- Qualification in Internal Audit Leadership (QIAL)

Further information, in addition to the links to qualifications for IAP level, can be found at <https://www.iaa.org.uk/qualifications/qualification-in-internal-audit-leadership/> (Qualification in Internal Audit Leadership).

The learning required to develop the knowledge and skills for a PIA are likely to correspond to learning required for the IIA syllabus which equates to 240 hours for CIA parts 2 & 3, and 600 hours for the QIAL. These qualifications lead to the designation Certified Internal Auditor and leads to Chartered status with the IIA. It demonstrates strong in-depth knowledge of the IA profession and undertaking a leadership role within this profession. This will require more than 20% off-the-job training to learn the knowledge which can then be applied into the role and real time work.

Q15. What will the duration of the apprenticeship be?

It is anticipated that candidates will typically complete the apprenticeship within 3 years depending on prior qualifications and relevant work experience, but for those new to the IA profession it could take up to 5 years.

Q18. Please provide details below of any professional body recognition of this standard. This should include information on what this will be.

The working group has had support and input from the Chartered Institute of Internal Auditors.

The Internal Audit profession is a standalone profession which is recognised by the presence of the Chartered Institute of Internal Auditors (IIA). As at the end of February 2017 the IIA in UK and Ireland had 9,721 members which demonstrate the number of individuals in the profession. This was a record high year for membership for the IIA, demonstrating the increase in new entrants joining the profession.

There is an established suite of professional qualifications which spans people new to the profession, with no relevant prior experience, through to Heads of Audit with a minimum of 5 years' relevant experience. At the more experienced end of the spectrum individuals can work towards attainment of Chartered status with the professional body.

The IIA Certificate (foundation level qualification) sees an average of 100 learners apply for the qualification direct with the IIA, this doesn't account for the number of new entrants who complete the qualification through an accredited programme delivered in-house in larger organisations. The CIA certification (mid-tier level qualification) sees strong registration annually, in the region of 350 learners a year.

Q18. Please provide details below of any professional body recognition of this standard. This should include information on what this will be.

This statistics are taken directly from the IIA and do not include employer specific data. Based on this information it is likely that at least 20% of the training completed directly through the professional qualification route would qualify for the proposed apprenticeship standards.

Q19. We are committed to ensuring that the standard we design provides sufficiently transferable skills to enable a successful apprentice to perform this role in an employer of any size and in any relevant sector. We are collectively representative of our sector(s) and are willing to work with other employers who come forward with an interest in this occupation and with colleagues from other sectors where our standards are closely related. We will develop the apprenticeship standard and assessment plan in line with the latest edition of the Institute's "How to" Guide for Trailblazers, will aim to complete this process within a year and are committed to working with relevant sector organisations to promote the use of the resulting standard once it is ready for delivery.

Due to the nature of the IA profession there are very few companies with small numbers of employees where it would be viable to have an Internal Audit function. Smaller organisations (SMEs) tend to outsource their internal audit responsibilities to larger accountancy/consultancy organisations. Therefore we have attempted to bring together a group of like-minded employers across different sectors.

Q21. I am happy for my organisation to be publicly named as the lead employer and the companies listed above are happy to be named as working together to deliver this is the standard is approved for development

Name of lead organisation

Q22. Name and email address of contact we can use publicly on the gov.uk website (and Institute website when ready) as a contact point for any enquiries relating to the Trailblazer. (By filling out this box you consent to the publication of these details. If you wish to opt out please leave this box blank)

Name of public contact

Email address

Q24. Do you have a copy of the draft standard? If so, please include it with your submission.

- File: Mapping of L7 IA standard to Accountancy standard.xlsx

Add comments below:

Work is in progress – but the mapping document attached does give a flavour of the draft KSBs so far.

Q25. In future, Technical Education will be arranged around the common framework of 15 technical education routes identified in the Sainsbury Review. These encompass all employment-based and college-based activity. The aim of these new routes is to facilitate the progress of young people from compulsory schooling into skilled employment and the highest levels of technical competence. A technical route could be followed either through an apprenticeship or in a college where the training would be supported by a substantial work placement, with both programmes being based on employer-designed occupational standards. In light of this, we have introduced a new criterion requiring any standard approved for development to align with one of the 15 technical routes. Details of the 15 routes can be found on page 22 of the Government Skills Plan here. Please detail which of the 15 Sainsbury Technical Education Routes your standard(s) aligns to. Also, if an occupational map is available for this route, there will be a link to it on the "How to" Guide for Trailblazers webpage. Please refer to this and specify which occupation detailed in the route map your proposed standard covers.

	Proposed Standard (s)
Agriculture, Environmental and Animal Care	-
Business and Administrative	-
Catering and Hospitality	-
Childcare and Education	-
Construction	-
Creative and Design	-
Digital	-
Engineering and Manufacturing	-
Hair and Beauty	-
Health and Science	-
Legal, Finance and Accounting	Professional Internal Auditor, Level 7
Protective Services	-
Sales, Marketing and Procurement	-
Social Care	-
Transport and Logistics	-