

Heading up internal auditing in the public sector

Profiling the chief audit executives (CAEs) of South African national government departments

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ABSTRACT

The Public Finance Management Act, 1 of 1999, requires the public sector to establish internal auditing functions. The study reported in this article aimed to identify the requirements for a public sector chief audit executive (CAE). The study used a multi-stage methodology. The first stage focused on a literature review to develop a profile for a public sector CAE. The second tested the profile that was developed against the requirements of current job advertisements for CAEs in South Africa. The third identified the current profile of CAEs at national departments by means of a survey using a questionnaire to which 32 CAEs responded. In the fourth stage, the profile developed from the literature was compared to the actual profile of national departments' CAEs. The findings show that the national department CAEs' experience levels are in line with the profile developed, but that their academic and professional qualifications lag behind the criteria stipulated in the profile. As far as could be determined, this is the first study to profile the CAEs at national departments in the country. The results can be used to help develop more appropriate and focused career development plans for internal auditors who are already in the public sector. However, the results should be evaluated against the backdrop of the broader South African environment, where there is a shortage of skilled internal auditors, and care should be taken when considering the generalisability of the results, because the study focused only on national departments.



INTRODUCTION

The enactment of the *Public Finance Management Act* (PFMA), 1 of 1999 in South Africa resulted in a legislative requirement that every national department must have an internal audit function (IAF) (RSA 1999:3). At around the same time, the internal audit profession also underwent some transformation, which resulted in a new professional practices framework, leading to a revision of the International Standards for the Professional Practice of Internal Auditing (ISPPIA) and a new definition of internal auditing. The new definition accepted by the Institute of Internal Auditors (IIA) in 1999, and subsequently updated, defines internal auditing as

...an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. (IIA 2011:2).

This definition emphasises the changed role of internal auditors, which was further supported by subsequent revisions to the ISPPIA. This resulted in a change in the role of IAFs moving away from a traditional focus on compliance and controls to a more value-adding role (Brody and Lowe 2000:170; Goodwin 2004:645). Hence, Coram, Ferguson and Moroney (2008:543) consider the IAF to be a crucial part of an entity's corporate governance, supporting the value-adding role of the IAF.

In South Africa, these changes were also facilitated by the various King reports, starting with the *King Report on Corporate Governance* issued by the Institute of Directors (IoD) in 1994 (*King I*), which describes internal auditors as having "an independent function established within a company to examine and evaluate the company's activities" (IoD 1994:22). The subsequent revisions acknowledge the changed internal audit role and recommend compliance with the ISPPIA, showing the value of internal auditing at a corporate governance level in South Africa. The 2002 revision, called the *King Report on Corporate Governance for South Africa 2002 (King II)*, accepted the new definition of internal auditing and continued to encourage compliance with the ISPPIA (IoD 2002:86,88). The support for the ISPPIA was continued in the most recent revision, the *King Report on Governance for South Africa 2009 (King III)* (IoD 2009), which expanded on what could be expected from an IAF by describing the governance role applicable to internal auditors in more depth and emphasising the use of a risk-based audit approach (IoD 2009: Chapter 7). *King III* recommends, *inter alia*, that the internal audit plan "should take the form of an assessment of risks and opportunities facing the company" and that internal audits should provide "a written assessment of the effectiveness of the company's system of internal control and risk management" (IoD 2009:186–187).

These changes also resulted in accelerated growth in the internal audit profession, which in turn influenced the internal audit environment in South Africa. The challenges posed by a changing environment are, however, not new. More than a decade ago, Hassall, Dunlop and Lewis (1996:28) already commented: "Professionals are now, more than ever before, subject to major internal and external pressures, resulting in constant and often fast-paced change." Dragija, Vašiček and Hladika (2011:64) pointed out that internal auditing plays a

significant role in the successful, efficient and effective performance of public management in an environment with limited resources.

Thus, the changes to the internal audit environment in South Africa over the last decade have extended the roles and responsibilities of the head of the IAF, namely the chief audit executive (CAE), and this extended responsibility could influence the skills profile of CAEs. Thus far, the prior research available on the profile of CAEs in the public sector is limited.

The evolution of internal auditing in the public sector and the interaction with the Institute of Internal Auditors South Africa (IIA SA) came to the fore in the latter part of the 20th century. The IIA SA was founded in 1983, and cooperation between the IIA SA and the public sector became more visible in 1997, with the establishment of internal audit forums. Since 1998, these forums have facilitated the meeting of CAEs in the public sector in order to discuss current practices (Van der Schyf 2000:153). The circumstances experienced in public sector tend to be different from those in private sector companies, as it follows the political guidance of a minister, with an accounting officer (AO), also referred to as the Director General, heading up each national department. This research should therefore also be seen against the backdrop of the contribution of the public sector to the South African economy. Vijayakumar and Nagaraja (2012:1) emphasise that the public sector, in general, forms an integral part of an economy and is of national importance.

Goodwin (2004:641) argues that politically based, public services-focused objectives and a rigid legislative framework could broaden the scope of internal auditing in the public sector. As the head of internal auditing, the CAE needs to set the tone and guide the IAF to achieve its objectives in a changing environment. Thus, the increased responsibility of the internal auditing environment in South Africa over the last decade could influence the skills needed by the leader of the IAF, namely the CAE.

The purpose of this study was to develop a profile for CAEs in the public sector that is in line with the new role of internal auditing. In the context of the background provided above, the study reported in this article had two objectives. Firstly, it aimed to develop a profile for CAEs in the public sector that conforms to the new role of internal auditing. To ensure relevance, the developed profile was assessed against CAE advertisements or an advertisement profile. Secondly, this study compared the developed profile and the advertisement profile to the current CAE profile in national departments of the South African government. Thus far, limited research has been published on the profile of CAEs in the public sector, a gap which this study aimed to bridge.

To achieve this purpose, this study used multiple research methods over three stages. First, a literature review was used to develop a CAE profile. Then, the literature-based profile that was developed was evaluated against a profile extracted from current advertisements of CAE positions in South Africa by using artefact research. Lastly, both were compared to the survey results that identified the profile of current CAEs. The findings of this study can be used to guide the career development plans of internal auditors in the public sector. Furthermore, audit committees can use these findings as an aid in deciding which CAEs to appoint, as well as to develop specifications to include in advertisements for CAE positions.

The remainder of this article is structured as follows: the next section describes the research methodology, followed by the development of a profile for public sector CAEs based on the literature. Thereafter, the developed profile is assessed against the advertisement



profiles, and, lastly, the profile is compared to the identified profile of CAEs in national departments. The last section concludes the CAE profile comparisons, summarises the main findings and highlights areas for future research.

RESEARCH METHODOLOGY

The methodology used to achieve the purpose of this study was mixed, and used multiple stages. As already indicated above, first, a literature review was used to develop a profile for the CAE position in the public sector in South Africa. The relevance of the developed profile, in terms of the appointment of CAEs to public sector positions in South Africa, was tested by using artefact research to compare the profile developed on the basis of the literature to a profile extracted from various current job advertisements. The actual profile of CAEs was identified from data collected using a questionnaire as a survey instrument. In the final stage, the actual profile of CAEs was compared against the literature-based profile that was developed, as well as the CAE profile extracted from advertisements.

Two sources of new empirical information linked to CAE profiles were used. The first was artefact research, which used current CAE advertisements found on the Internet to identify the CAE profile(s) advertised to compare to the profile developed on the basis of the literature. The second was a survey administered via a questionnaire completed by CAEs of national departments. The results of this survey were used to develop a profile of the current CAEs, which was compared to the profile developed from the literature and the advertisement profile.

A total of 32 responses were received out of a revised population of 35 national departments for the survey, resulting in a response rate of 91.4%. The population of national departments was revised by excluding newly established national departments from the original list of 40 national departments, because of a lack of institutional memory in new departments. Because the study focused only on national departments, the generalisability of the results of this study is limited. However, the findings can still be used as a guide, because the overall legislation, as well as policies and procedures, are applicable to the public sector in South Africa in general and is thus something the departments have in common. Descriptive statistics were used to analyse and discuss the results.

DEVELOPING A PUBLIC SECTOR CAE PROFILE

Rapid changes – stemming from a combination of changes in the internal audit profession, supported by changes in the regulatory environment that affect the public sector, as briefly described in the introduction – have influenced the internal auditing environment in South Africa. The challenges posed by a changing environment are, however, not new. As noted earlier, Protiviti (2013:1) highlights the fact that changes in the regulatory environment challenge internal auditors, who have to keep pace with changed requirements and the impact of these on auditing practices and processes.

Other studies found that changes in stakeholder expectations led to a shift in the role of internal auditing in many organisations (KPMG 2008:2; PricewaterhouseCoopers 2013:3).

Marx and Voogt (2010:17) describe the impact of the changed environment, explaining that internal auditing “evolved over years from modest beginnings to becoming a key component of the control environment, and nowadays is an integral part of the corporate governance structures of entities”. It is thus possible that internal auditors need different knowledge and skill sets to operate competently in the new environment (Palmer, Ziegenfuss and Pinkster 2004:890).

According to Jameson (2006:35), one of the consequences of the changes was that CAEs are required to take on “more roles in the governance, risk management and internal control” areas. Sarens and De Beelde (2006:219) found that senior management expected the IAF to perform a supporting role by monitoring and improving risk management, internal control and the corporate culture, in line with the definition of internal auditing. For their part, Dragija *et al.* (2011:63-65) note that, in a complex and challenging world, with limited resources in the public sector, internal auditing needs to focus on what is most important. The changes in the internal audit environment and the increased expectations of senior management have resulted in a more demanding environment for internal auditors. These changes could influence the skill set needed by CAEs to ensure that proper internal audit services are rendered.

It is necessary to develop a common understanding of the skills required of internal auditors, and especially CAEs, to ensure that the IAF has the required capabilities, skills and competence to render an appropriate level of service. The need for high levels of competency is supported by Sarens and De Beelde (2006:220). The IIA also stresses that competent leadership, together with competent staff, are the key elements of an effective public sector IAF (IIA 2006:4).

To help bridge the gap caused by the rapid development of internal auditing in South Africa and the increased demands from internal auditors, especially CAEs, the IIA SA has developed a guideline called *How to employ an internal auditor: A guide to resourcing for internal audit. Technical Guidance* (IIA SA 2009). This guideline includes a suggested profile for a CAE. The profile recommends that a CAE should have the Certified Internal Auditor (CIA) certification and/or a specialisation certification, such as being Certified in Control Self-Assessment (CCSA), a Certified Financial Service Auditor (CFSA), a Certified Government Audit Professional (CGAP) or a Certified Information Systems Auditor (CISA), preferably with a business degree at master’s level (IIA SA 2009:10).

More relevant to the public sector nature of this study is the guideline developed by the National Treasury, which includes a suggested profile for CAEs in its *Internal Audit Framework* (National Treasury 2009). The *Framework* recommends that a public sector CAE should be appointed at a senior management level. CAEs should have a postgraduate degree in Auditing and/or Accounting, a professional qualification (such as a CIA certification) with at least five years’ experience in internal audit management, and be a member of the IIA (National Treasury 2009:26-27). The addition of experience in internal audit management is supported by the finding that “as internal auditors advance, management and leadership skills become increasingly important” (Albrecht, Stice and Stocks 1993:57). The continuous importance of competence of internal auditors is encapsulated in the following question: “If internal auditors are required to achieve greater heights do they have the right capabilities to take the journey?” (PricewaterhouseCoopers 2013:3).

Based on the above, the guidelines on a profile are summarised in Table 1.



Table 1: Summarised suggested profile elements for a CAE in a national department

Author	IIA SA	National Treasury
Professional qualifications	CIA certification and/or a specialisation certification	A professional designation such as a CIA and other relevant professional designations
Academic qualifications	A business degree at a master's level	A postgraduate degree in Auditing and/or Accounting
Experience	–	At least five years' experience in internal audit management
Membership	–	Membership of the IIA

Sources: IIA SA (2009) and National Treasury (2009)

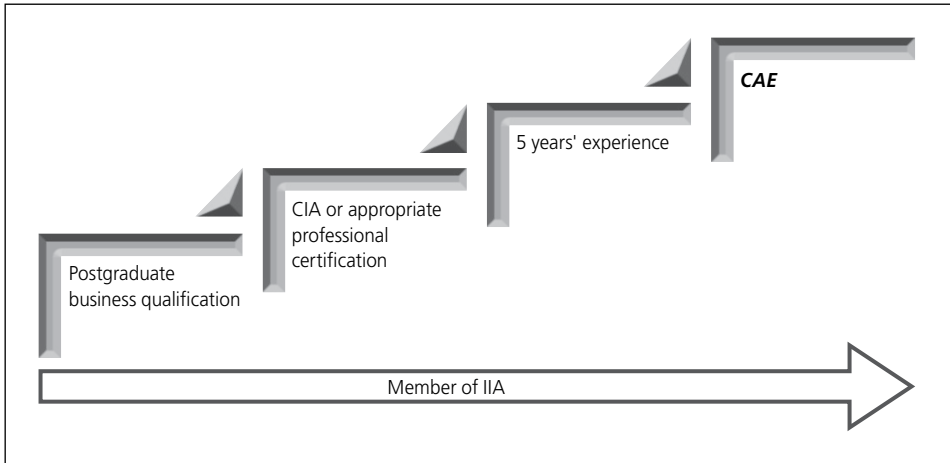
The summary shows that the profile of a CAE includes an appropriate professional certification, preferably a CIA, and a postgraduate business degree. The guidelines provided by the IIA SA (2009) and the National Treasury's *Internal Audit Framework* for CAEs both include stringent qualification-based requirements. Making high qualifications a pre-requisite to attract and appoint future CAEs could be a challenge in South Africa, where there is a shortage of appropriately qualified internal auditors, according to the Financial Services Sector Education and Training Authority (Fasset 2011).

The leadership and management position of the CAE is acknowledged by the *Framework* in its requirement of five years' experience at an internal audit management level (National Treasury 2009:26-27). Given the fact that the CAE is a senior leadership position, a minimum number of years of experience is a suitable requirement. Surprisingly, it is not a requirement in the IIA SA profile that CAEs be members of the IIA, but this could be because the IIA SA assumes that all CAEs are members. However, as the IIA requires its members to comply with the Code of Ethics and perform internal audit engagements in line with the requirements of the ISPPA, expecting CAEs to be members could be a mechanism to ensure compliance with the ISPPA and the Code of Ethics. The ability to practise as internal auditors is not legally limited to specific qualifications or certifications. It is only the practice and registration of external auditors as Registered Auditors that is controlled through legislation in terms of section 41 of the *Auditing Profession Act, 26 of 2005* (RSA 2005).

Thus far, studies on the profiles of CAEs are limited. Prior to 2009, there was no South African research available on the profile of the CAE. In 2009, a study by Van Staden and Steyn (2009:923) profiled the CAEs of large listed companies, showing that, on average, these CAEs held a postgraduate qualification and a professional certification in either internal auditing or external auditing, or both, coupled with around ten years' internal auditing experience. The number of years' experience shows the value of experience for a CAE position. However, Van Staden and Steyn's (2009) study did not differentiate between internal auditing experience and internal auditing management experience, making a comparison with the recommended experience profile developed by the National Treasury difficult.

Dumitrescu (2012:87) considers the level of experience in gathering and interpreting evidence to be important in differentiating auditors. In addition, Coetzee, Fourie, Plant

Figure 1: Suggested profile for a public sector CAE



and Barac (2013:57–58) recommend that a CAE should obtain the CIA certification prior to becoming head of internal auditing. In a study on education and training considerations, Steyn and Plant (2009:994) found that the CAEs in large listed companies consider the minimum entrance requirements for the CAE position to include a postgraduate degree with a professional certification and just under ten years of experience. When this profile is compared to the IIA SA guideline, it is clear that the listed company CAE profile makes fewer demands in terms of academic qualifications, but demands more in terms of experience.

Using the above literature, the profile shown in Figure 1 is proposed for CAEs in the South African public sector.

In the next section, the profile set out in Figure 1 was tested against current advertisements for CAE positions.

TESTING OF THE DEVELOPED CAE PROFILE

The profile developed from the South African literature needed to be tested to ensure that the profile is reasonable and relevant. In order to assess the reasonableness and relevance of the developed profile (shown in Figure 1), it was compared to current job advertisements for CAE positions in South Africa (shown in Table 2). An Internet search looking for advertisements for CAEs or heads of internal audit positions in South Africa was performed during January and March of 2014. The Internet was used because it is a medium by which a comprehensive overall search can be done relatively quickly and cost-effectively, and because print-based advertisements are also advertised on the Internet. This search also looked for Director of Internal Audit positions, because the title Director is often an indicator of the CAE position in national departments. The results of this search are summarised in Table 2 below. Most advertisements were for private sector CAE positions, with one advertisement for a CAE for a municipal IAF (public sector) and two for national departments (public sector).

The results in Table 2 show a number of advertisements requiring the applicant to be a qualified chartered accountant (to have a CA (SA) certification), making this the most frequently required professional certification, followed by the CIA. The requirement for

Table 2: Summary of advertised job specifications

Sector	Website	Job specifications
Private sector	Worksmith International	<ul style="list-style-type: none"> • Relevant postgraduate qualification and CIA • Minimum of three years' experience in internal auditing
URL: http://www.pnet.co.za/index.php?s=advert_view&g=9546&x=3797		
Public sector national departments	South Africa Job line	<ul style="list-style-type: none"> • Bachelor's degree or equivalent with accounting/auditing as majors • Minimum of eight years' auditing experience with six years at management level • Knowledge and understanding of public sector regulations
URL: http://www.southafricanjobline.co.za/display-job/3766		
Public sector national departments	Careers 24	<ul style="list-style-type: none"> • Bachelor's degree or equivalent with accounting/auditing as majors • Minimum of eight years' auditing experience with six years at management level • Knowledge and understanding of public sector regulations
URL: http://www.careers24.com/jobs/adverts/441775-director-internal-audit-pretoria/?utm_source=jobrapido&utm_medium=organic&utm_campaign=aggregator		
Various positions in the private sector	Career junction	<ul style="list-style-type: none"> • CA (SA), Master's in Business Administration (MBA), CIA or other relevant qualification • Appropriate internal audit experience
URL: http://www.careerjunction.co.za/jobs/heads-of-internal-audit-1378365		
Private sector	LinkedIn	<ul style="list-style-type: none"> • CA (SA) or relevant Bachelor's in Risk Management, Finance and/or Internal Auditing • At least eight to ten years in internal audit and risk management in the fast marketing of consumer goods environment
URL: http://www.linkedin.com/jobs2/view/10658819?trk=job_view_browse_map		
Private sector	LinkedIn	<ul style="list-style-type: none"> • Qualified CA (SA)/completed CIA • Five to six years' experience with at least two years at a managerial level • Experience in short/long term insurance/financial services
URL: http://www.linkedin.com/jobs2/view/10479830		
Private sector	Careers 24	<ul style="list-style-type: none"> • BCom degree and qualified CA (SA) or completed CIA • Experience: eight years of solid internal auditing experience • Knowledge of the insurance industry
URL: http://www.careers24.com/jobs/adverts/418079-head-of-audit-sandton/?utm_source=adzuna&utm_medium=all&utm_campaign=aggregator		
Private sector	Career junction	<ul style="list-style-type: none"> • CA (SA) with eight years' experience preferably in an international company and must have a strong IT auditing background.
URL: http://www.careerjunction.co.za/jobs/group-head-of-internal-audit-1596114		
Public sector: Municipality	Indeed	<ul style="list-style-type: none"> • National Diploma or Degree in Auditing and trained as an internal auditor by completing three years' articles; • CIA; • six years' relevant experience
URL: http://www.indeed.co.za/viewjob?jk=83187b3c8f69b9c5&qd		
Note: The sources of the advertisements are acknowledged in the table and are not part of the reference list		

a professional certification is in line with the developed profile; however, there is still an indication that the IIA SA will need to market the CIA certification better. In general, there is no indication that the CIA is the preferred professional certification; nor is there evidence that membership of the IIA is considered essential to an applicant for a CAE position, as none of the advertisements required membership of the IIA. The dominance of the CA (SA) certification is in line with the findings of prior research conducted on large listed companies by Coetzee *et al.* (2010:19), which reported that 46.7% of the CAE respondents had CA (SA) certification, and that only 30% had the CIA certification. The requirement for a particular level of professional certification is not in line with the profile developed for the public sector advertisements for departments, as they do not specify any professional certification. However, the municipal CAE advertisement does require a CIA. All the private sector advertisements required a professional certification.

The requirements for academic qualifications varied, from a national diploma or degree to a postgraduate qualification, with the highest academic qualification being an MBA. This could indicate that academic qualifications might not be a dominant consideration. It is also possible that the public sector places a lower premium on academic qualifications. Some advertisements only mention professional certification, without specifying academic qualifications. However, some academic background is implicit, as it is not possible to obtain a CIA or CA (SA) certification without a prior academic qualification. When the assumed academic qualifications are taken into consideration, most advertisements require at least a basic degree. A Master's degree was only listed as an option in one advertisement. This could indicate that the IIA SA profile is aspirational and that the South African environment is not yet at the stage where a Master's degree is required. Although a postgraduate degree was also only specifically listed in one advertisement, all CAs (SA) would have a postgraduate degree. In general, the advertised requirements list lower academic qualifications than the profile developed from the literature. This could be as a result of the skills shortage in South Africa (Fasset 2011).

A number of advertisements require industry-specific experience or knowledge – an aspect that was not included in the developed profile. The number of years' experience required is mostly in line with the developed profile, although only three advertisements required management level experience.

The experience requirement in the respective advertisements ranged from appropriate experience without a specified number of years to a requirement for eight to ten years, with a limited differentiation on management level experience. Thus, it appears that the requirement for appropriate experience of at least a period of five years of the developed profile is met by the needs of the market, as reflected in the advertisements.

The results of the comparison of the requirements of the advertisements against the developed profiles are summarised in Table 3.

The comparison with the developed profile shows that IIA membership is not required and that the academic qualifications are mostly on a degree level, with the private sector moving towards postgraduate-level qualifications. In the private sector, professional certifications are required, but they are not yet required for CAEs in national departments. Lastly, the experience requirement is generally complied with, but few advertisements require management-level experience, while a number of advertisements indicate a level of industry-specific experience.



Table 3: Comparison between the profile developed and the advertised profile

Profile requirements	Public sector advertisements	Private sector advertisements
IIA membership	None	None
Professional certification	Not required for national departments	Required
Postgraduate degree	Only a degree required	Mostly required
Five to ten years' experience, including management level experience	Required for the national departments	Mostly complied with the number of years' prerequisite; only one required management level experience

In general, the advertisements showed a more flexible approach to attract potentially suitable CAE candidates by using more open-ended terms such as “appropriate experience” and “other relevant qualifications”, when compared to the profile. This could be as a result of the shortage of available staff identified by the Financial Services Sector Education and Training Authority (Fasset 2011), or it could be to enable the entity to use qualitative aspects as a final level of evaluation in subsequent interviews to select the most suitable CAE (the impact of qualitative factors falls beyond the scope of this study and is an area suggested for future research).

The next section describes the results of the survey that identified a profile for CAEs from national departments and briefly discusses the results in comparison to the profile developed on the basis of the literature and the advertisement profiles.

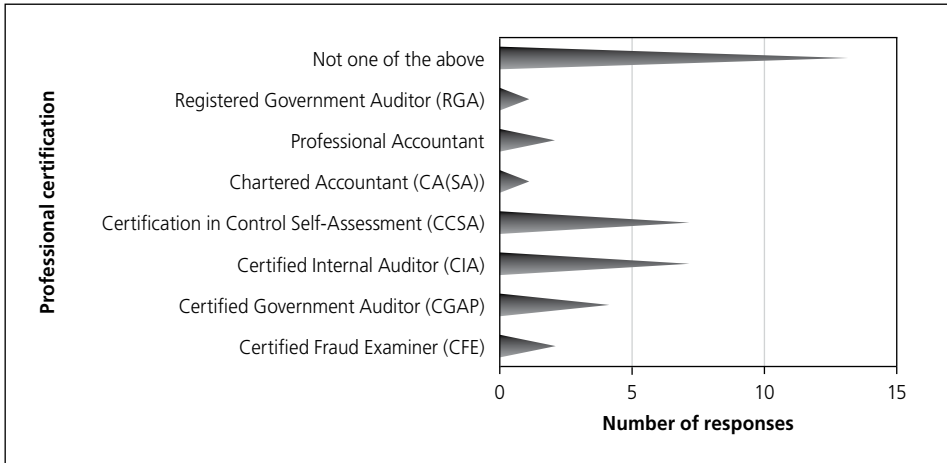
PROFILE OF CAES FROM NATIONAL DEPARTMENTS

Data were gathered from the CAEs in national departments to identify the profiles of current CAEs. All 32 respondents were members of the IIA, complying with the membership requirement in the profile developed in the study. This is a higher percentage than the 79.3% membership of CAEs in the IIA found by Coetzee *et al.* (2010:23) in their study on the current status of and demand for internal auditing in South African listed companies, or the 60% membership reported by Cooper, Leung and Mathews (1994:15) in their Australian study.

However, despite the fact that all the respondents were members of the IIA, few CAEs had a CIA certification. Of the respondents, only seven (26%) had a CIA certification. This finding was in line with the advertised profile, but not with the profile developed in Stage 1 of this study. Figure 2 below shows the professional qualifications of the respondents.

The fact that it is possible to have more than one professional certification should be taken into consideration in interpreting Figure 2, as well as the fact that the number of responses to this question was reduced to a total of 27 respondents. Although few respondents had a CIA certification, CIA and CCSA certifications were the most common certifications. Only one respondent was a CA (SA), which was surprising, considering the prominence of the CA (SA) certification in the advertisements reported in Table 2, and the finding reported in Coetzee *et al.*'s (2010:19) study that 46.7% of the CAEs in the private sector sample were CAs (SA).

Figure 2: Professional certifications



Moreover, despite the prominence of the need for professional certification in the literature, 13 (48%) of the respondents did not have any audit-related professional certifications. Based on the low percentage of responding CAEs in the national departments holding professional certifications, it appears that they did not meet the professional certification requirements of the profile developed from the literature. However, this is in line with the advertised profile for national departments. It seems that the current CAEs in national departments are lagging behind the profile developed in terms of professional certifications, and it is probable that the skills shortage influenced the availability of candidates for the CAE position negatively. Another factor that could play a role is the level of remuneration. In an environment where there are skills shortages, it is generally easier for the private sector to use higher salaries or better benefits to attract people with scarce skills.

Figure 3: Highest academic qualifications

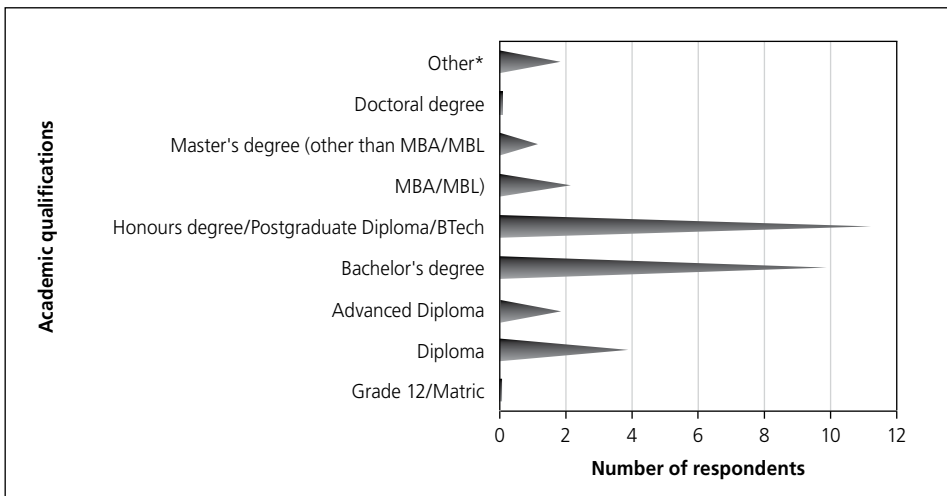


Table 4: Years of experience

	>5 years		5 years and more		Total	
Internal auditing	1	3%	28	97%	29	100%
Public sector	4	14%	25	86%	29	100%
CAE in the public sector	15	52%	14	48%	29	100%
CAE and/or internal auditing manager in the private sector	18	69%	8	31%	26	100%
Currently employed	10	34%	19	66%	29	100%
Note: Not all the respondents answered this question, resulting in a smaller response rate						

The highest academic qualifications shown in Figure 3 indicate that all the respondents had some level of tertiary education; however, none had attained a doctorate as yet. Given that half the respondents (50%, n=16) had a degree (or less) as their highest academic qualification, the current status is that CAEs lag behind the stipulations in the profile developed, which indicates the expectation of a postgraduate qualification. However, there are already a number of respondents who do have postgraduate qualifications: 34% (n=11) have qualifications at a postgraduate or Honours level, and 9% (n=3) at a Master's level. The prominence of CAEs with diplomas or degrees as their highest academic qualifications is in line with the advertised profile.

The years of experience of the CAEs are described in Table 4, below.

Clearly the CAE respondents have extensive experience: 97% had five years or more of experience in internal auditing, and 86% had five years or more of experience in the public sector. Only 48% of the CAEs had five years or more of experience as a CAE in the public sector, while 66% had been with their current employer for five or more years. The management level experience was also high, as most CAEs had some management experience gained in the private sector. The extent of the internal auditing and public sector experience was in line with the experience requirement of the profile developed in the study.

CONCLUSION

The purpose of this study was to develop a profile for CAEs in the public sector that is in line with the new role of internal auditing. As far as could be determined, this is the first study to develop a profile for the CAEs in South African national departments. Two objectives supported the research purpose. To achieve the first objective, a profile was developed using mainly South African literature, and this profile was then compared to a profile extracted from advertisements. To achieve the second objective, the profile as developed was compared to the current profile of CAEs in national departments and the profile derived from the advertisements.

The profile as developed required all CAEs to be members of the IIA and to have a professional certification and a postgraduate degree with five to ten years' experience, including management level experience. The current profile for CAEs and the profile derived

from the advertisements were largely in line with these experience requirements. However, the current CAE profile and the profile derived from the advertisements lagged behind in terms of professional and academic qualifications. The profile derived from the advertisements required degrees, but did not require professional certification for the national departments, lagging behind the profile as developed. The current CAEs were, however, moving towards the profile as developed, as 34% already had postgraduate qualifications. The current profile for professional certifications was also moving towards the profile as developed. Although 48% of the current CAEs did not have any professional certification, the remainder had a variety of certifications. The CAEs in the national departments' profiles were in line with the profile as developed, since they were all members of the IIA, despite the fact that it was not a requirement on the profile derived from the advertisements.

The results of this study can be used to support the CAEs to improve their current academic and professional qualifications. Future research could investigate the reasons for the CAEs' lagging behind in terms of their qualifications, despite extensive experience in the sector, as well as in internal auditing. Another area of future research could be to consider which qualitative factors play a key role in the appointment of CAEs in national departments. Considering these factors could help evaluate candidates with similar qualifications and experience better during the appointment process for a CAE.

The fact that this study focuses on only easily quantifiable aspects, namely evaluating advertisements for CAE positions, is a limitation of the study. The impact of qualitative aspects, such as individual talents, ethical leadership and the ability to communicate effectively, is therefore an area for future research.

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