

# Human Resource Management

**A Guide for Supreme Audit Institutions**



This Guide has been written by members of the Capacity Building Sub-committee 1 chaired by the UK National Audit Office. This Guide is part of a series being produced by the INTOSAI Capacity Building Committee. The series comprises:

- 1 Building capacity in Supreme Audit Institutions: A Guide;
- 2 Introducing professional qualifications for Audit Staff: A guide for Supreme Audit Institutions;
- 3 Peer Review Guide with Peer Review Checklist;
- 4 How to increase the use and impact of audit reports: A guide for Supreme Audit Institutions;
- 5 Human Resource Management: A Guide for Supreme Audit Institutions; and
- 6 Implementing the International Standards for Supreme Audit Institutions (ISSAIs): Strategic considerations.

The guides are being progressively translated and copies of many of the guides are available in Arabic, Chinese, French, German, Portuguese, Russian, and Spanish – see <http://cbc.courdescomptes.ma/>.

Design and Production by NAO Communications  
DG Ref: 009902-001  
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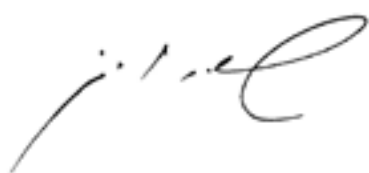
## Foreword

A core part of managing a modern Supreme Audit Institution (SAI) is ensuring that the organisation is able to attract, retain and motivate the right number of staff, with the right skills and experiences. Most SAIs have personnel officers responsible for such tasks as managing leave, organising training and dealing with staff welfare issues. However, as SAIs become more independent of governments, the range of staffing tasks increase and become more strategic. In many cases, SAIs have to develop the capability to draw up job descriptions, run recruitment campaigns, agree staff terms and conditions, and develop a more strategic approach to identifying and meeting evolving staffing needs. To take on this broader and more strategic role SAIs are increasingly setting up Human Resource Management (HRM) Units.

This Guide has been written to help senior managers in SAIs understand what modern HRM embraces and what they can expect from their HRM team. It will be of use to HRM staff in SAIs to help them ensure that their work is consistent with international best practices. It will also be of use to all staff in an SAI who manage others. While HRM staff can help set up frameworks, systems, and policies, it is the individual managers across an SAI who provide opportunities for staff to develop and grow, who motivate and encourage staff to perform well, and where their performance fails to meet expectations ensure that appropriate action is taken.

This brief Guide cannot cover all aspects of HRM nor give practical examples of how to implement each aspect but it is hoped that it will act as a form of checklist and starting point for SAIs wanting to develop this area of their operations. For those who wish to learn more, a separate Annex has been produced (<http://cbc.courdescomptes.ma/>) to collate practical tools, checklists and more detailed guidance on specific HRM techniques. Over time it is hoped that other SAI's will share their tools and add those to the website maintained by the INTOSAI Capacity Building Committee.

I would like to acknowledge the work of the Netherlands Court of Audit (Algemene Rekenkamer) and the UK National Audit Office in producing this Guide and thank also the many different SAIs who acted as reference partners. This is a clear and useful Guide which I believe will be of widespread value across the SAI community.



Mr Driss Jettou  
Chairman of the INTOSAI Capacity Building Committee

# Chapter 1

## Introduction

The INTOSAI Lima declaration (ISSAI 1) recognises that an effective Supreme Audit Institution (SAI) is dependent on its capacity to recruit, retain, and effectively deploy highly skilled, hard-working and motivated staff. Traditionally, an SAI may have employed personnel officers or relied on a cross-governmental staffing agency to carry out the functions of recruiting staff, arranging payroll and/or organising training. However, with greater independence and professionalization, many SAIs are establishing human resource management (HRM) teams to manage both the personnel function and to play a more strategic role in helping SAI managers identify and meet their long-term strategic staffing needs. Such a role involves not only managing the traditional personnel functions but also engaging with workforce planning and, for example, proactively helping the SAI change the grade profile and/or skill mix to meet changing business needs.

This Guide helps identify the key activities of a modern HRM function, recognising that it may take some SAIs many years to put in place. Key to the successful introduction of such a function is the establishment of a strong HRM team. HRM staff need a broad set of competencies including skills and knowledge of change management, internal consultancy, stakeholder management and influencing. The Guide also recognises that some of the HRM functions may not be applicable for SAIs who are not fully independent or who are too small to employ full-time people in this area. However, even for these SAIs much can be done internally to make better use of staff and ensure that staff are better supported and managed.

The Guide covers the following key aspects of modern HRM:

- Chapter 2 – Setting up an HRM function.
- Chapter 3 – Developing a human resources strategy and policies.
- Chapter 4 – Developing a competency framework.
- Chapter 5 – Recruitment and selection.
- Chapter 6 – Appraisal and reward.
- Chapter 7 – Training, learning and development.
- Chapter 8 – Diversity and inclusion
- Chapter 9 – Well-being

Each chapter sets out key questions which an SAI needs to address and describes some of the dilemmas which may arise. The chapters finish with pointers to other relevant resources in annexes or via hyperlinks which SAIs may wish to access and adapt.

The examples in the annexes, which come from different INTOSAI members, have been added as a source of inspiration. Other good examples can be found on the websites of various other SAIs, see annex 1a. To provide a broader view a selection of other hyperlinks and theories is given. This is far from exhaustive, so further browsing on the internet is recommended.

In elaborating this guide we took into account those International Standards of Supreme Audit Institutions (ISSAIs) relevant to HRM issues. Annex 1b gives an overview of the relevant ISSAIs.

### **Annexes**

Annex 1a: Overview of relevant INTOSAI documents

Annex 1b: Overview of relevant ISSAIs.



# Chapter 2

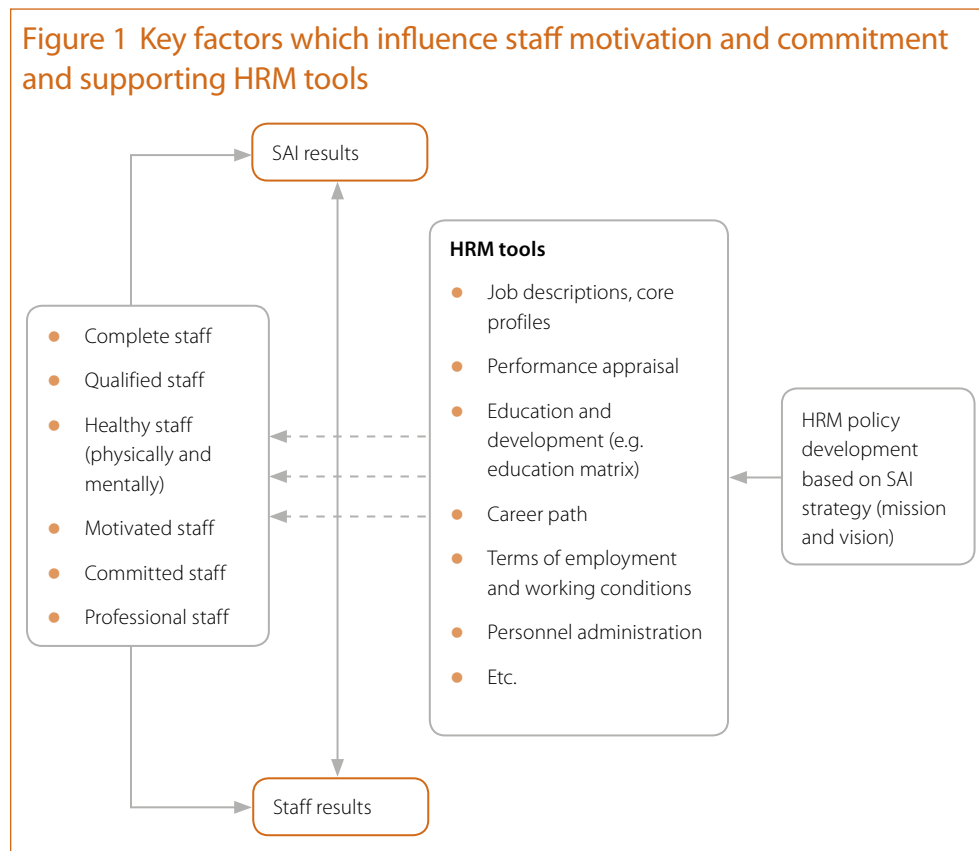
## Setting up a HRM function

### Introduction

How does an SAI know how many people to recruit and how can it recruit and select the right people with the right qualifications? How does an SAI keep staff motivated? And how does an SAI make sure that staff use their knowledge and skills to the best effect and gets the most out of their potential? While an SAI's goal is to constantly improve its performance, it can only do this through staff that are motivated, well managed and fairly rewarded.

**Figure 1** shows key factors that influence staff motivation and commitment and the HRM tools needed.

Ensuring that an SAI has the right staff at the right time and deploying them effectively is the responsibility of all managers within an SAI. However, an effective, professional, HRM unit or team is vital in helping the SAI achieve this.



## Key questions

### 1 How does an SAI establish a HRM unit?

Essential steps in establishing an effective HRM function include:

- Creating a HRM unit staffed by suitably qualified, skilled and experienced staff which report regularly to senior management.
- Developing a comprehensive human resources strategy and associated policies which should be progressively rolled out over a number of years and regularly updated to take account of the developing SAI environment, and the practical experiences of implementing change. Change is not concerned with the 'right' answer, but with the best answer in evolving circumstances, and an organisation need not be afraid of making mistakes and learning from such mistakes.
- Explaining the human resources strategy to all staff and gaining buy-in so staff can participate openly and transparently in the SAI's and their own future.
- Looking outwards to clients and stakeholders to ensure the HRM strategy equips the SAI to deal more effectively with its external environment and that staff have the skills to act as advocates for beneficial change in auditees and elsewhere.
- Understanding the human aspects to change – the uncertainty and concerns which staff may have – and ensuring that these are dealt with directly.
- Identifying and agreeing key competencies for all posts in the SAI and using these as the basis for staff recruitment, staff objective setting, performance monitoring and promotion.
- Ensuring that once agreed policies and procedures are applied consistently over time and that failure to implement is dealt with quickly.
- Creating and establishing an internally rigorous complaints and grievances framework – so that staff can see that issues such as bullying are dealt with robustly.
- Maintaining a HRM Committee, led by a senior manager, to drive the human resources change process forward, actively assess and manage risks, prioritise actions and involve staff in the process.

### 2 How many HR staff are needed?

- Typically one HRM staff member for every 100 staff to cover administration and recruitment, plus one or two to manage training and development staff and one or two to manage policy development, implementation and compliance. However, it is usually best to start small. If budget and financial control are assigned to the HR department, an extra officer will probably be needed.

### 3 What HRM IT systems should an SAI have?

- These days SAIs find it useful to have HRM IT systems to maintain personnel records, including; leave application, sick-leave records, as well as appraisals and training details. Where possible SAIs should look to introduce on-line systems in these areas as these systems provide huge benefit in terms of cost-efficiency. Some IT systems for managing financial audit working papers also contain applications to monitor and record the time auditors spend on audits.

## Dilemmas

### 1 Is it better to recruit HRM staff internally or externally?

- An SAI may have suitable qualified staff internally but usually it is better to recruit a qualified HRM professional externally to manage the HRM Unit.

### 2 Who should the HRM unit report to?

- On key issues the head of the HRM unit should have access to senior management, so that the HRM Strategy, and key policies are approved at the highest level of the organisation.
- Where an SAI is unionised or has an active staff association, HRM can play an important role in supporting senior management in negotiations with such bodies.
- The HRM Committee should also be a forum for bringing together a broad cross-section of SAIs different staff, by grade and profession to ensure broad input into the development of policies.

## Annexes

Annex 2a: Framework of human resources responsibilities.

Annex 2b: Resource management system.

Annex 2c: Checklist for human resources planning and budgeting.

## Further resources

See Annex 1a.

# Chapter 3

## Developing a human resources strategy and policies

### Introduction

While an SAI's Corporate Plan will state an SAI's overall mission and objectives, many SAIs have found it useful to develop a more detailed human resources strategy to show what the SAI plans to do to ensure that it has the staff needed to deliver the Corporate Plan and it has the key policies and procedures in place. In order to facilitate the achievement of this Plan, the human resources strategy should set a series of goals to be achieved during the strategic planning period.

In developing this human resources strategy, an SAI will need to be mindful of national employment laws, public sector rules, procedures and conventions and in many cases the prevailing pay and remuneration arrangements in the key organisations competing for staff with the same skills and experiences as the SAI. They will also need to be mindful that the strategy is supportive of the International Standards of Supreme Audit Institutions (ISSAIs).

### Key questions

#### 1 What are the typical goals of an SAI's HR strategy?

The goals for an SAI's HR strategy will need to vary to reflect organisational maturity and national contextual issues. However, they are likely to include many of the following:

- **Goal 1:** To provide the SAI with the required number of staff in the right place at the right time with the relevant quality and skills to complete the workload and achieve the aims of the SAI, through recruitment and other sourcing of resources.
- **Goal 2:** To establish and operate an objective performance-based staff appraisal system based on meeting annual objectives and competency requirements developed by the SAI, and agreed with all staff, and to ensure that all staff are adequately recompensed reflecting their efficiency, effectiveness and application of experience.
- **Goal 3:** With regard to training, learning and knowledge transfer, to develop individual skills to the highest professional standards, through establishing a training and development programme using best practice from relevant internal and external providers, to take the SAI forward to meet current and future challenges.

- **Goal 4:** With regard to staff management to develop and implement a fair and objective system for the retention, rotation, succession planning and promotion for all staff.
- **Goal 5:** To build a workforce committed to the achievement of corporate, team and individual goals and values.
- **Goal 6:** To improve the leadership and management skills capability of the SAI, which will improve the efficiency and effectiveness through improving internal management and communications, and by helping individuals make the most of their talents through better delegation and taking on responsibility.
- **Goal 7:** To create an environment where staff have appropriate opportunities to participate fully in the SAI's work.

## 2 What else should be covered in a human resources strategy?

In addition to setting out the strategic goals for human resources in an SAI, the strategy should set out the ways and means that the SAI will achieve these goals. In particular, it should cover:

- The numbers and types of staff required over the planning period and how these will be obtained taking into account improvements in efficiency, natural turnover, retirements and changes in the SAI's scope or audit responsibilities.
- How the SAI will maintain and develop a dynamic workforce including stimulating target levels of turnover and release of staff to create opportunities for promotion and for integrating new staff and expertise at all levels of the organisation. As part of this the strategy should also show how talent will be actively developed and managed.
- Training requirements, plans and budgets – including induction/orientation training, professionalisation of staff, and on-going or continuous professional education for all staff, including corporate service and administrative staff.
- Changes to performance management arrangements, including staff appraisals, managing poor performance, and disciplinary systems.
- Introduction, maintenance and regular updating of personnel or HR manuals and other policies and procedures – including ones relating to promotion, staff rotation, declarations of interest, integrity, codes of conduct/ethics, diversity and equal opportunities, health and safety, and welfare.
- Staff remuneration arrangements – including pay and grading issues, pension and other benefits, and non-monetary rewards – including support for such initiatives as staff social committees and activities.
- A reference to staff consultative mechanisms and processes for reporting on the performance of the HRM function.

- Relations with the works/employees council and/or trade unions.
- Key targets and measures to assess the effectiveness of the strategy, including for example sickness/absence rates, staff turnover rates, vacancies, and time taken to recruit.

### 3 How can an SAI identify its current and future staffing needs?

- The numbers of staff being recruited, and the training and development programmes available to them, should relate to the likely demands for different types of staff and skills in the years ahead. Conversely, decisions taken today can have longer term consequences which should be taken into account. For example, a decision not to recruit staff in order to comply with a short-term manpower target may lead to a depleted promotion field and a shortage of staff at higher levels in the future.
- Sound human resources planning are essential if an SAI is to know what staff it needs to carry out an effective job. In identifying these numbers an SAI needs to answer the following questions:
  - To what extent are staff currently being used efficiently? How many staff days are being spent on different types of audits? Is the grade mix right? How do the SAI staffing ratios compare with international and national best practices?
  - What is likely to be the impact on the volume of work auditors can carry out of greater professionalisation or improved technology and IT programmes?
  - How much of an auditor's time can reasonably be spent on actual audit and how much needs to be allowed for training, leave and unplanned work?
  - How appropriate is the management hierarchy? If new audits are taken on does this mean new management posts need to be created? Can the organisational hierarchy be reduced – creating a flatter structure and eliminating some management posts? How many people can a manager directly manage?
  - What is the normal annual turnover of staff through retirement and staff leaving for other jobs? What allowance needs to be made for sickness and absentee rates, and maternity/paternity leave?
  - What audits does the SAI need to do annually? Are there any additional requirements emerging as a result of requests from Parliament or a desire to move into new types of audit?
  - Are there any audits which are currently done annually which could be done less frequently without significantly increasing the financial risks?
  - When modelling the expected demand for audit staff by grade and profession, how does this compare with existing numbers?

- What Corporate service staff does the SAI need? Are there functional or support areas which need strengthening, for example parliamentary liaison, communications, quality assurance, or IT services?
- With the greater use of IT, does the SAI need as many secretaries, typists and other administrative support staff?
- This kind of planning can give senior managers a firmer base in seeking to ensure that the SAI knows what staff it needs and to help make clearer budget submissions. It may also highlight the need for a system of recording time spent on each job in order to calculate the costs of different audits and other activities, to strive for greater efficiencies and as a basis for making future resource bids credible.

## Dilemmas

### 1 What can an SAI do if its HR functions are controlled by a public-sector-wide authority such as a Public Service Commission?

- While a fully independent SAI would be able to develop and manage a human resources strategy on its own, those working within frameworks laid down by a Public Service Commission or other central public sector staffing body might have a more difficult task. However, many SAIs have found ways of working effectively with such bodies and have obtained substantial control over their own HR issues. They do this by:
  - Keeping the Public Service Commission fully informed of their human resources strategy;
  - By demonstrating a high level of competence at recruiting, inducting and retaining staff; and
  - By being prudent about the types of salary and benefits packages offered – which should reflect the packages offered to public servants.
- As part of the general move to gain control over human resources policies, it is sometimes necessary for an SAI to demonstrate to Public Services Commissions that, the request for more control over certain aspects of its work is about gaining more independence and not about creating a situation where the government might lose control.
- SAIs looking to convince governments and legislatures that they can be responsible managers of their own HRM functions may need to demonstrate that they have:
  - Proper transparent systems in place in line with best practices in the public sector;
  - Staff are protected;
  - Human resource manuals have been developed;

- Tight budget controls are being exercised; and
- The SAI has the skills to recruit and manage staff and the skills to negotiate with staff representatives.

## 2 What if this planning shows that the SAI has too few staff?

- If an SAI's planning reveals that it has too few staff to carry out its mandatory function, then this information can help form the basis of a rigorous budget proposal to be put to Parliament, government and/or donors. Alternatively, if the SAI can access funding but not take on new permanent employees then it can consider contracting out some audits to the private sector and/or recruiting short-term temporary staff to cover peak periods.

## 3 What if the bids for additional staff are turned down or only partially funded?

- A clearer awareness of what staff are needed by an SAI and how existing staff are being used often helps an SAI identify ways in which existing resources can be used better. Such an analysis also places the SAI in a much stronger position to say which audits it can and cannot do and to justify adopting a risk based sampling approach for smaller auditees – for example auditing smaller local authorities or other public bodies once every two or three years.

## 4 What if the plan shows the SAI has too many staff or staff with the wrong skills mix?

- If the plan shows a surfeit of staff or staff with the wrong mix of skills then the SAI may wish to consider such options as:
  - providing additional training to help staff take on different tasks or types of audit;
  - helping staff seek work elsewhere within government or externally; and
  - obtaining funding from Parliament, government or donors to put in place a voluntary or compulsory retirement or offer staff redundancy options.

## Annexes

Annex 3a: Goals for HR strategy and policies: good practices

Annex 3b: Integrated HR strategy

Annex 3 c, d: Codes of conduct

Annex 3e: IntoSAINT tool, assessment tool for integrity in SAIs

## Further resources

See Annex 1a.



# Chapter 4

## Developing a competency framework

### Introduction

In many organisations competency frameworks have become a major tool in the strategic management of people. Competency frameworks inform and prioritise all human resources activities, from recruitment through training and development, and performance appraisal, to promotion and managing change, and are linked directly to strategic and operational plans.

### What are competencies?

'Competency' and 'competencies' may be defined as the behaviour (and, where appropriate, technical skills) that individuals must have, or must acquire, to perform effectively at work – that is, the terms focus on the personal skills or inputs of the individual.

'Competence' and 'competences' are broader concepts that encompass demonstrable performance outputs as well as behavioural inputs, and may relate to a system or set of minimum standards required for effective performance at work.

In the past, HR professionals tended to draw a clear distinction between 'competences' and 'competencies'. The term 'competence' (competences) was used to describe what people need to do to perform a job and was concerned with effect and output rather than effort and input. 'Competency' (competencies) described the behaviour that lies behind competent performance, such as critical thinking or analytical skills, and described what people bring to the job. However, in recent years, there has been growing awareness that job performance requires a mix of behaviour, attitude and action and hence the two terms are now more often used interchangeably. With this awareness in mind we use the expression 'competencies' in this guide.

### What is a competency framework?

A 'competency framework' is a structure that sets out and defines each individual competency (such as problem-solving or people management) required by individuals working in the organisation. In a competency framework, competencies combined with agreed objectives give a picture of the standard of performance staff need to achieve, in order to deliver the organisation's strategic goals. Objectives help define what should be achieved, while competencies help clarify how staff should contribute by defining the behaviour staff need to demonstrate in their day to day work to underpin their performance. Staff performance will be measured against both objectives and competencies.

## Why do we need a competency framework?

A competency framework is a useful tool which SAs can use to:

- Determine the required qualifications during the processes of recruitment, selection and promotion.
- Clarify the standard of performance expected from each member of staff.
- Inform discussions on performance and progress.
- Identify strengths and areas for improvement of staff.
- Define staff development objectives and monitor progress.
- Identify relevant development activities to address the needs of staff.
- Assess and rate performance.
- Inform consideration of potential for career progression and career development plans.

Furthermore a competency framework supports vertical and horizontal alignment of the HR system. Vertical alignment assures the alignment between the organisational goals and the HR strategy. Horizontal alignment is the degree to which HR practices are mutually supportive and reinforcing.

## Key questions

### 1 Who should develop the competency framework?

- In the same way that organisations have different values, work in different fields and are at different stages of development, they may also require their staff to acquire different competencies. For these reasons a competency framework is usually developed by people within the organisation who know what the roles require. For reasons of efficiency however, it is perfectly understandable to introduce a framework that was developed by another SA or colleague public institution or external consultancy. The ideal solution seems to be a mix.

### 2 How do you get your competency framework right?

- **Communicate the purpose:** staff need to be informed why a competency framework is being introduced for example to help with culture change, performance management, recruitment or staff development.
- **Identify key themes:** even if staff are clear about the purpose, the framework still needs to support the organisation's aspirations (goals, values and strategies).

- **Get conditions right:** the organisation's procedures, culture, resourcing and management structures need to support the framework.
- **Tackle the root cause:** behaviour (as defined in a competency) is also influenced by underpinning characteristics (knowledge, skills and attitude). If managers do not understand this they may focus on trying to improve the behaviour without tackling the root cause.
- **Keep it simple:** language and structure should be simple. However perfect the framework, if it is too complicated, long or detailed it will not be used.
- **Train the users:** full training should be provided to staff on the framework and on its practical application. Without such training the competency framework will quickly gather dust and be seen as irrelevant.

### 3 How can an SAI successfully implement a competency framework?

- The implementation starts at the top with the senior management team: they need to understand the benefits that a fully implemented competency management system can deliver. They also need to realise that the organisation will go through a major change. Do not underestimate the need for change management! Preparation and implementation of change is culturally highly sensitive. One of the clearest and simplest models is Lewin's three-step model:<sup>1</sup>
  - Step One is to 'unfreeze' people – this step is culturally sensitive. Staff need to understand why things should be done in another way. Explaining why things should be done differently cannot be shown or "rolled out" identically in different countries;
  - Step Two is 'moving'. After making staff aware of the fact that the need to do things in a different way there is a need to develop new insights, attitudes, and skills; and
  - Step Three is 'freezing'. The newly acquired skills should be developed into a new routine.

## Dilemmas

### 1 Is it necessary to describe competencies for each function?

- To keep the competency framework simple one set of competencies can be developed that will apply to all staff. These should comprise a small number of generic competencies which, together with the technical skills required for the role, help define the behaviour staff need to demonstrate in their day to day work.
- Some SAIs might prefer one set of competencies to apply to those with management responsibilities and another for support staff. Some go even further by developing competencies for functional groups.

1 K. Lewin, *Field Theory in Social Science*, Harper and Row, 1951.

- There is often a temptation to take on too much too quickly, to try and cover as many jobs as possible. A good practice to prevent this is to launch a pilot instead. In this way the organisation has a chance to learn and be successful with each of the jobs that form part of the project. When successful the pilot will encourage others who may have had their doubts about the efficacy of the project.

## 2 How to measure competencies objectively?

- The essential step for being able to measure competencies is to make precise definitions of competencies that will be regarded as the communal language for the competency measurement process. In order to get a valid and accurate assessment, non-technical skills should be defined in observable, measurable and behavioural terms without technical or abstract jargon. Performance indicators can assess and rate the timeliness, competency, productivity and quality of staff performance. Instruments like tests, performance records, 360 degrees feedback or simulation can also be used.
- An objective assessment environment should be facilitated. Often employee evaluations are formalised on an annual or semi-annual basis. However a manager should be monitoring performance on an on-going basis – giving immediate feedback as needed and keeping notes on an employee's performance which can be referred to during formal appraisal and feedback processes.

## 3 Competency framework: concrete or elastic?

- Managing staff is often more complex than thought. The competency framework might be well developed and implemented on a general level, but will still need polishing for the individual staff member. Also, there may be specific circumstances as a result of which a member of staff demonstrates relevant competencies that are not part of the framework. For example, through participation in an institutional reorganisation or involvement in a special assignment or audit. It is important that these are not overlooked. It is wise to follow the principle in the competency framework that the approach is not concrete but elastic.

## Annexes

Annex 4a: Developing a competency framework

Annex 4b: How to get your competency framework right

Annex 4c: Outline competencies for leaders

Annex 4d: Outline competencies for support staff

Annex 4e: Using indicators to measure competencies

Annex 4f: 360-degree feedback

## Further resources

See Annex 1a.

# Chapter 5

## Recruitment and selection

### Introduction

Recruitment and selection is the starting point for HR management. It is closely linked with the strategy, the structure and functions of an SAI. Recruitment and selection are critical as they help the SAI ensure that it has the right staff with the appropriate qualifications, skills and experience to meet the current and future needs of the SAI.

### What is recruitment and selection?

Recruitment begins with sourcing potential applicants in, or outside the SAI. The manager or HRM unit should make good use of a variety of channels to create interest in available positions. Pre-screening interviews, skills-testing workshops, as well as background and reference checks can all be part of the recruitment process.

Selection is the process in which the pool of candidates is narrowed down and an applicant is chosen. The selection process may involve a series of interviews, personality assessments, integrity checks and validation of claimed qualifications. Negotiations of salary, benefits and job responsibilities are the final stage of the selection process.

Recruitment and selection are the processes that lead to having the right person, in the right place, at the right time. It is crucial to organisational performance. Recruitment is a critical activity, not just for the HR team but also for managers who are increasingly involved in the selection process.

### Key questions

#### 1 Do we know what type of person we are looking for?

- If a robust competency framework is in place, then the skills, attitude, knowledge and experience are more easily identified.

#### 2 Are transparent procedures for recruitment and selection in place?

- It is useful to describe for each level of staff an open and transparent procedure for recruitment and selection. This will include using the principles of fair and open competition in line with policies on equality, diversity and integrity. It will describe where to advertise in order to reach the required types of staff, when the adverts will be issued, what documentation and forms will be available for applicants, how queries will be managed, when the applications need to be lodged, when people would expect to be called for assessment and/or interview, and when the results should be known.
- The procedures should be publically available, so as to counter the threat of nepotism.

### 3 What equal opportunity issues need to be considered?

- Fair and equitable recruitment procedures should be the foundation stone for a professional, multi-ethnic, gender-balanced and incorruptible SAI. They should be designed to ensure that entry to the SAI is fair and transparent, and that selection is based on objective, merit-based criteria.
- It is vital in this process that equal opportunity issues are considered to help ensure that the SAI is recruiting from as wide a pool of talent as possible. In some cases an SAI may specifically refer in its job advertisements to particular groups who may be under-represented in the SAI. For example, women and members of ethnic minorities are often encouraged to apply. These considerations need to be reflected throughout the recruitment and selection process, for example, by featuring ethnic minority staff in promotional material on the SAI or ensuring that women are represented on the staff selection panel.

### 4 Is there a programme for the induction of staff?

- A formal induction programme provides a way for new staff to be given an introduction to their new working environment. As a priority the induction programme must cover any legal and compliance requirements for working at the SAI and pay attention to the health and safety of the new employee. An induction programme is also part of an SAI's knowledge management process and is intended to enable the new recruit to become a useful, integrated member of the team as quickly as possible, rather than being "thrown in at the deep end" without understanding how to do his/her job, or how his/her role fits in with the rest of the SAI.

### 5 Is the probation process clear?

- A probation period is advised for new staff before confirming them in their posts. A probation period helps the SAI to satisfy itself as to the suitability of the new recruits by checking that requirements of the post are met. The period is generally between six months and one year. Probation should be regarded constructively by both management and the new recruits. If management is sensitive to the particular needs of new recruits, the chances of retaining valuable staff are maximised.

## Dilemmas

### 1 Accountants or generalists?

- INTOSAI standards recommend that all audit staff should have relevant accountancy qualifications. However, in accordance with their mandate many SAIs also carry out non-financial audits which also call for other qualifications and expertise. It is wise for the SAI to have a mix of staff and qualifications to meet all audit-needs. The *INTOSAI Capacity Building Committee Guide for introducing professional qualifications for Audit Staff* gives guidance on the range of options open to SAIs.

### 2 What if the Public Service Commission sends the SAI new staff without consulting the SAI?

- Many SAIs depend on Public Service Commissions for recruitment. However, SAIs can have their own policy within the purview of the Public Services by deciding, for example, a percentage of people who would be recruited directly from the Public Service, and those who would be promoted through the ranks. In addition these SAIs can have a policy for recruitment of administrative staff through open interviews or tests.

### 3 Is involvement of senior management necessary in the recruitment & selection process?

- When staffing needs are clear, and an open and transparent procedure is in place, senior management can be less involved in the selection interviews, particularly for entry-level posts. However, they will typically want to be involved in the final interview stages for more senior posts.

### 4 External recruitment or promotion?

- An SAI needs not only to attract but also to retain a strong professional workforce to ensure the efficient pursuit of its goals and objectives. A fair system of internal promotion also recognizes and rewards the commitments and talents of the staff. However, balanced against this is the need to ensure that the staff pool is constantly refreshed with external inputs, new ideas, experiences and skills. In a rapidly changing environment it is sometimes just not possible to develop in-house skills sufficiently. For example, with the financial crisis and the need to audit banks in public ownership, SAIs might have to recruit highly skilled staff with private sector financial skills in order to be able carry out the necessary audits. Many SAIs therefore work to ensure a healthy mix of internally promoted and externally recruited staff.

## 5 Promotion based on seniority or merit?

- The promotion and advancement of audit staff need to be based on finding the best person to fill any position. While at times the staff who have served longest in an organisation may be the most skilled and experienced, this is not always the case. Instead, suitability for promotion should be based on performance appraisals linked to the assessed potential to perform at the higher level. An SAI should develop a system which gives weight to high performance, meritorious work and assessed potential, especially for promotions to the middle and senior management levels. These should be based on merit and potential, and not on time served.
- One way some SAIs seek to bridge the gap is by having an active talent management process. Staff with evident potential to rise to senior posts are identified early in their career and given structured opportunities to acquire and demonstrate that they are fitted for senior leadership posts.

### Annexes

Annex 3 c, d: Codes of conduct

Annex 5a: Developing a recruitment system

Annex 5b: How to recruit

Annex 5c: Introduction to job descriptions

Annex 5d: Examples of job descriptions and core profiles

Annex 5e: Job descriptions

Annex 5f: Managing probation

Annex 5g: Probation policy, processes and management

Annex 5h: Responsibilities in the probation process

Annex 5i: Probation final assessment form

Annex 5j: Promoting the right people

### Further resources

See Annex 1a.



# Chapter 6

## Appraisal and reward

### Introduction

In order to survive and grow, and to meet the ever increasing challenges it faces, an SAI needs to maximise the potential of its staff and their individual contributions. The SAI must, therefore, manage and improve the performance of its individuals and that of its teams so that it gets the best from each of them and manages to maximise everyone's contribution to achieving the corporate goals. With this in mind a performance appraisal system should be implemented for all staff. This is generally connected with a reward system.

### What is performance appraisal?

Performance appraisal is the assessment of the performance of an individual in relation to the objectives, activities, outputs and targets of a particular unit, branch, division, directorate, or organisation over a specific period of time. It involves taking stock of an individual's past performance and planning what can be done to improve future performance. A performance appraisal provides timely and constructive feedback to employees for their performance. It allows the manager and the employee to set performance targets for the year to come, to discuss longer-term career aspirations and to map out training and on-the-job strategies for further developing an individual's skills and experience.

### Why have performance appraisals?

Within every SAI there are challenges for all staff at all levels to complete good quality work and to contribute to the SAI's overall objectives. Having a well-respected organisation whose work is comprehensive and accepted, and whose staff make the best use of the budgets available to be as professional, effective and efficient as possible within the constraints of budgets and complements, requires a concerted effort. A performance appraisal system allows for such a co-ordination of forces and for the development of a shared vision and culture, for example by encouraging openness, feedback and the discussion of integrity dilemmas.

## What is a reward system?

The term 'reward' is generally understood to cover all financial provisions made to employees including both salary and the wider benefits package (pensions, paid leave and so on). It may also refer to wider provisions for employees, with the term 'total reward' encompassing elements such as training opportunities or a congenial working environment in addition to pay and benefits. Reward systems have three main objectives: to attract new employees to the organisation, to elicit good performance, and to maintain commitment to the organisation. Some SAls find it useful to set out their overall 'offering' (i.e. the total package of benefits) to staff and to regularly benchmark against these with other employers in the private and public sector who may also be competing for staff with the same skills and abilities.

## Key Questions

### 1 How do we ensure that the appraisal system is as objective as possible?

- Appraisal needs to be objective, and for this to be achieved it is essential that the appraiser clearly understands the appraisee's job description and job specification and properly knows the appraisee, ideally through having observed his/her work for at least three months. It is also helpful if the appraiser has been properly trained in observing and recording behaviour. Feedback should for example be based on specific examples of performance or behaviour and not generalised observations.
- The appraisal should be conducted on the basis of the job description and performance agreements made the previous year.
- At the same time there will always be some degree of subjectivity, in which case the appraiser needs to acknowledge this by providing feedback more tentatively.

### 2 How can the individual performance be related to objectives, activities, outputs and targets (linked to corporate goals)?

- Many SAls have organised their work in teams and projects. This makes it a challenge to distinguish the performance and contribution of the individual. This makes continuous direct feedback and observance of the appraisee essential. Such a context can also lend itself to other forms of feedback such as 360 degree feedback. This is an appraisal technique designed to produce a rounded picture of the individual. It is based on the principle that the individual can benefit from receiving feedback from all angles, not just his or her line manager. So, in addition, feedback comes horizontally and vertically from a selection of subordinates, peers, or work-colleagues from other departments. In fact, anyone the individual comes into contact with as part of his or her normal work activities could be involved. These various appraisers describe the person's competences and behaviour, typically using an anonymous, questionnaire-based feedback form.

### 3 Are the criteria to judge performance clear?

- Appraisals should be based on performance against pre-determined objectives, demonstrated competencies and the development of skills. Appraisals will also take into account attendance and absence. Taken together, delivery against objectives and the framework of expected levels of performance provide a picture of the standards staff need to achieve.

### 4 Is the reward scheme suitable?

- SAIs should have a suitable reward scheme to commend or reward employees who meet or exceed clearly defined and transparent standards of high performance. An SAI may consider the following incentives for high performers: additional financial remuneration/benefits, promotion, extra training courses and naming and honouring.

### 5 Are working conditions and salaries sufficiently attractive to retain the services of experienced personnel?

- Salaries and allowances, personnel welfare and benefits for SAIs are often covered under the public service regulations and SAI staff receive salaries similar to their counterparts in equivalent grades/levels in the other branches of the public sector. However, real independence equals the right to set own salaries and terms and conditions for the SAI. These salaries must be justified by meeting competency requirements and they must be based on challenging objectives.
- Some SAIs with the independence to agree their own pay and remuneration policies with Parliament, regularly monitor terms and conditions in key other private and public sector bodies employing staff with similar qualifications, skills and experience, aiming, for example, to offer packages which both attract and retain appropriate staff.
- At the same time, SAIs can rarely compete with private sector firms, on purely financial terms, so the non-financial rewards are often of significant importance. Job satisfaction at helping make a difference at senior levels to the operations of government and improvements to public services, job-security, maternity and paternity leave, flexible working hours and pensions.

## 6 How to deal with someone who is not performing?

- Removing staff that are not performing is often a long-drawn out process and some SAIs shy away from it, moving poor staff around or not addressing their issues. This can have an adverse effect on other staff as well as being a poor example to staff elsewhere in the public sector. Where poor performance is identified, it needs to be dealt with quickly and fairly, offering counselling and training, or even help with finding suitable employment elsewhere. For example, if it persists, then disciplinary processes need to be activated progressively culminating in dismissal if all else fails. In initiating such processes, an SAI needs to ensure that it has good legal advice to ensure that it does not inadvertently fall foul of employment law, leaving the SAI open to be sued for wrongful dismissal.

## Dilemmas

### 1 Can you start performance appraisals without an (advanced) HR policy/system/function?

- Performance appraisals are so valuable that under all circumstances management should systematically discuss performance with their staff. It ensures timely feedback and motivation of staff. If an elaborate system is not (yet) feasible, a simple procedure will do.

### 2 Do we appraise top-down or is a dialogue possible or even 360 feedback?

- Usually performance appraisals are the result of an interview between manager and employee. This is not a unilateral process (the manager shares his/her judgement), but ideally an open dialogue. As a manager does not always have a complete view of the performance it is recommended for the manager to also collect information from direct colleagues of the appraisee and/or the team leader and share this with the appraisee.

### 3 How do we prevent damaging the appraiser-appraisee relationship when the outcome of the appraisal is not (completely) positive?

- By preparing the appraisal in an honest, careful way, and by basing the judgement on pre-determined objective criteria and specific concrete behaviour and results, the appraisee will more easily accept the appraisal.
- No-one likes to receive negative feedback, but as organisations become more professional and if feedback is given in a constructive manner, staff will become more used to receiving such feedback. It is important that such feedback in general does not come as a surprise. Informal feedback should be provided to staff on a regular basis.

### 4 Do topics like welfare, well-being/health and working conditions have to be included in the appraisal interview?

- It is not mandatory but these topics can influence the behaviour and performance of an employee considerably. However, staff may prefer to discuss some of these issues with the specialist HR staff rather than with their line-manager.

## 5 Is implementing a performance appraisal system difficult?

- In many SAls introducing a performance appraisal and development system represents a culture change for many staff. Staff may experience difficulties surrounding management issues (delegated powers, dealing with under-performers, establishment of “line” management positions which really manage and control staff and appraisals), communications problems, and commitment from staff at all levels. These difficulties can be overcome. The end result will be a system that allows strategic and individual aims to dovetail and that leads to a more efficient and effective organisation which recognises good work and assists everyone to develop their skills.
- It is important as well to keep such systems under-review and to monitor staff satisfaction with the system. Where weaknesses are found or where feedback may not be well grounded, then these need to be dealt with quickly so that staff confidence in the appraisal process is maintained.

### Annexes

Annex 4f: 360-degree feedback

Annex 6a: Developing a performance appraisal and development system

Annex 6b: How to manage a performance appraisal and development system

Annex 6c: Balanced framework of objectives

Annex 6d: Balanced framework of objectives – explanatory note

Annex 6e: Discussion framework for appraisal meeting

Annex 6f: Record of appraisal discussion

Annex 6g: Managing poor performers

Annex 6h: Personnel welfare, reward and retention

Annex 6i: Performance Assessment Scheme Kit

### Further resources

See Annex 1a.

# Chapter 7

## Training, learning and development

### Introduction

With the work of SAIs being highly knowledge-based, the learning aspect of human capital development has become a critical success factor. While learning at the level of individual employees is important, the SAI as an organisation must also engage in continuous learning to reach its strategic goals. A strong culture of well-integrated individual and organisational learning will strengthen an SAI's capabilities and enable it to deliver the desired impact. HRM requires the integrated use of training, career planning and organisational development efforts to improve individual, group and organisational effectiveness. Creating an environment that promotes continuous training is an important component of successful human resource management.

The INTOSAI Development Initiative (IDI) has identified and developed a set of guidelines which are intended to provide members of SAIs, with a standardised and efficient means of designing, developing, delivering and evaluating their training programmes. The guideline "Learning for impact, a practice guide for SAIs" uses and promotes a systematic approach to training, which contains at least the following five components: training needs analysis, course design, development of training materials, delivery and evaluation of training. This approach is recommended to SAIs for developing their own in-house training courses.

This guide can be found via the IDI website. As the guide exhaustively covers the theme of training and development, this chapter of the HRM guide is largely based on its ideas and text.

### What is the HRM unit's role in training?

Training is the process by which employees acquire the skills needed to accomplish their assigned tasks. The purpose of training is that employees are able to do their work to a standard established by the SAI. The training function has the responsibility of developing, establishing and monitoring training policy, conducting an annual needs assessment, planning courses and scheduling training activities. Training should be a continuing process and should be adapted to the needs of the SAIs so that employees can continuously upgrade themselves.

Training programmes are excellent ways to give learners new skills knowledge and techniques. However, in order to improve the overall performance of the organisation, the learning must be integrated with the day-to-day work. This means that the SAI has to ensure people are learning, not just new skills and knowledge, but also how to use the skills they already have more effectively in new situations.

The HRM unit may also have a central role in relation to whether or not an SAI recruits people with professional audit qualifications or provides opportunities for staff once they have been recruited to obtain a professional qualification. The main issues involved in this decision, are contained in the INTOSAI Capacity Building Committee Guide – *Introducing Professional Qualifications in an SAI* and will not be repeated here. However, if the SAI does provide access to professional qualification, then the HRM team are likely to have a major role in ensuring that the on-the-job part of the qualification is properly designed and managed and for liaising between trainees and the training provider.

Usually the HRM unit develops separate programmes for managers. Management development is described as the way to help current or potential managers develop their personal and organisational skills. This is critical to the effective functioning of the organisation. Good management is an essential factor in employee engagement, employee motivation, and building a productive workplace. Managers are the key to employee retention and effectiveness. AFROSAL-E provides a management skills course on themes such as: innovation, leadership, empowerment, interpersonal skills, strategic management and interpersonal skills.

## Key questions

### 1 Why does a SAI need a training and development policy?

- The SAI's policy for training and development should identify relevant individual, team and corporate training needs, consistent with organisational goals. A good and transparent policy offers guidance to staff in the development of their careers, it ensures efficient and effective utilisation of resources spent on training and it secures equal opportunities. This will lead to the improved performance of individuals, teams, and the entire SAI.

### 2 How to develop an individual training and development plan?

- This starts with the annual appraisal. During the appraisal interview the employee and manager discuss the individual's past performance, their future work assignments and their career aspirations.
- These then help form the basis for identifying future training needs and other developmental opportunities.
- After the appraisal the manager makes sure that training needs are met and dealt with. If existing, these needs will have to match the criteria of the system of Continuous Professional Development.

### 3 How to develop an organisational training and development plan?

- The SAI should make an overview of the individual, team and organisational needs. In general this is based on the strategy document, on training needs questionnaires for management and staff, individual needs from performance review and from training evaluations. Some of the training sought may be common across the organisation in which case courses or study opportunities may be internally organised. Other training or development may be very specific, in which case staff may need to look for external training and development opportunities.
- In developing the organisational plan, the HRM Unit will need to be mindful of costs and corporate priorities. Where a manager and individual staff member are clearly seeking opportunities for training and development which the SAI cannot afford or sees as low priority this needs to be fed back so that staff understand why some requests are not taken forward.

### 4 Why the need to stimulate a learning organisation?

- The challenges of meeting the ever increasing expectations of key stakeholders and embracing new techniques of audit, require a movement towards SAIs becoming effective learning organisations. Promoting a learning organisation offers the benefits of the ability to: adapt rapidly to changes; align organisational goals and individual learning; promote information-exchange and capture expertise; use alternative learning strategies, integrating learning into the workplace; and empower individual employees to be responsible for their own learning.

### 5 How can the management of training courses be made easier?

- These days there are options to run, and maintain, software packages which allow HRM to advertise training activities and then allow staff to enrol on-line, saving time and money for HRM staff. There are increasing opportunities for staff to access training through different media and at times which more easily fit around peak auditing activity. Some organisations are experimenting with e-learning, with 'bite-size' learning and with video-tube.

## Dilemmas

### 1 Is Continuing Professional Development (CPD) for all employees?

- In most countries chartered accountants have CPD obligations. It might be tempting to restrict CPD to this group of professionals. However CPD is necessary to ensure that all staff are committed to constantly updating their knowledge and skills and to maintaining their professional competence. Continuous professional development and training should include corporate service staff, managers, secretarial staff and all who work in the SAI not just the audit staff.



## 2 Is e-learning really a valuable option?

- E-learning can be described as: the delivery and administration of learning opportunities and support via computer, networked and web-based technology to help individual performance and development (Pollard and Hillage (2001). All SAIs can use e-learning in some form or the other but it may be best suited for SAIs that have a large number of employees, geographically dispersed offices and the requirement for large scale standardised training at different levels.

## 3 Is the individual responsible for institutional learning?

- Learning is a collective effort and the responsibility of all personnel within the SAI. Senior management must ensure that an adequate climate, funding and resources are provided and that the focus of (institutional) learning is relevant to the strategy of the organisation. Line managers have to plan, facilitate and promote learning and personal development. The HRM unit is involved in coordinating the processes. Individuals are expected to take responsibility for managing their own learning, but the help and support of the SAI as a whole is essential.

## Annexes

Annex 7a: Implementing training, learning and development

Annex 7b: Continuing Professional Development

Annex 7c: Training policy and audit functions matrix Memorandum

Annex 7d: Education Matrix

# Chapter 8

## Diversity and inclusion

### Introduction

These days many organisations aim to be an equal opportunity employer and are determined to ensure that no applicant or employee receives less favourable treatment on the grounds of gender, disability, religious belief, marital status, colour, race or ethnic origins, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable. An equal opportunity employer is committed to hiring and valuing a diverse work team of skilled professionals. To ensure this, modern SAIs can consider formulating a policy on 'Diversity and Inclusion' taking into consideration the legal framework and the specificities of the country. This policy applies to all applicants and employees and involves all aspects of employment mentioned in this document.

### What is diversity?

'Diversity' means all the ways people differ. Everyone is a unique person. Even though people have things in common with each other they are also different in all sorts of ways. Differences include visible and non-visible factors, for example, personal characteristics such as background, culture, personality, and work-style, size, accent, language and so on. In many countries a number of personal characteristics are covered by discrimination law to give people protection against being treated unfairly. The 'protected characteristics' are race, disability, gender reassignment, sex, marriage and civil partnership, pregnancy and maternity, religion and belief, sexual orientation and age.

### What is inclusion?

'Inclusion' means establishing a workplace where differences are valued; where everyone has the opportunity to develop skills, competences and talents. This should be consistent with the values and objectives of the SAI. The aim is to create an organisation where people feel involved, respected and, connected and where management facilitate their staff to contribute with all their skills, competencies and talents. This will help the SAI undertake its mandate as professionally as possible.

### Key questions

#### 1 How to develop effective policies and practices?

There are many options for increasing workplace inclusion. In this document we identify some of the main options:

- Ensure commitment of the top and senior management.
- Develop a diversity strategy that aligns with the SAI's strategic goals and complies with the country's legal framework.

- Choose an integrated approach, by linking diversity and inclusion to other initiatives in operational management such as quality management.
- Support managers with guidelines, working methods and trainings that contain the concept of diversity and inclusion.
- Communicate that everyone has a personal responsibility to uphold the standards.
- Consider awareness-raising programmes about diversity and inclusion and skills training.
- Introduce procedures to deal with all forms of harassment, bullying and intimidating behaviour.
- Use different and accessible methods of communication to keep people up to date with diversity policies and practices.

## 2 What are the benefits of a policy of 'Diversity and inclusion'?

Diverse workplaces have a distinct strategic advantage over less diverse workplaces. Some of the most significant benefits include:

- The opportunity to capitalise on the diverse knowledge-base of staff can lead to a more professional SAI;
- Increased innovation and creativity can improve the quality of work;
- Reduced skills shortages;
- Increased opportunities for external interactions and communications;
- Reputational benefits related to being seen to be socially responsible; and
- Increased organisational stability because of increased employee engagement, job satisfaction, commitment and tenure and reduced turnover-intention.

In some countries embracing diverse workplaces is increasingly important in light of demographic shifts as millions of older workers enter retirement and minority groups make up an increasingly large share of the workforce.

## 3 Who is responsible for what?

- Managers play a critical role. Managers' diversity behaviours and relationships are directly related to employees' perceptions, engagement and satisfaction. They are role-models on a personal, interpersonal and organisational level.
- The Human Resource department plays an important role in adapting HR policies and practices, sharing expertise, monitoring progress and keeping data to chart progress and show organisational benefits.

#### 4 How to make a success of 'Diversity and inclusion'?

- To gain the full benefits of diversity and inclusion, diversity strategy needs coherency to ensure that all policies and working practices reflect relevant diversity implications. It needs to be supported with a well communicated value system reflecting the importance of diversity. All employees should be trained to understand and engage with this in the way they do their jobs and work with their colleagues.
- It also links to ensuring that employee wellbeing is not just a 'nice to do' but an essential element of employee engagement and motivation. This awareness can support the attraction and retention of talent.

### Dilemmas

#### 1 How to achieve fairness and equality

- Managing diversity goes beyond employing individuals with diverse backgrounds to creating an environment where every employee is valued. Organisational structures, values, policies, and day-to-day practices all influence the degree to which all employees can feel truly valued and included.
- It is important to recognise that a 'one-size-fits all' approach to managing people does not achieve fairness and equality of opportunity for everyone. People have different personal needs, values and beliefs. Good people management practice demands that decisions are both consistently fair but also flexible and inclusive in ways that are designed to support organisational needs.
- Equal opportunity is often seen as meaning, treating everyone in exactly the same way. But to provide real equality of opportunity, people need to be treated differently in ways that are fair and tailored to their needs but in ways that are aligned to business needs and objectives.

#### 2 Your SAI or country is not 'ready' yet

- Focusing on the issue of diversity and inclusion may seem a luxury to some SAIs – something to consider but without a 'sense of urgency'. Although to some extent understandable, given the many issues busy SAIs have to deal with, diversity and inclusion issues are important and should not be ignored. Across the globe there are too many examples of communities divided by ethnic, linguistic, cultural and social differences. As leading professional organisations, SAIs should take the responsibility of leading by example. A robust approach to diversity and inclusion is also closely linked to good governance, integrity and sensible capacity-building. Making use of all skills, competencies and talents will contribute to the quality of the audit work and the professional capacity of the SAI.

- It is possible to begin slowly by raising awareness. Figures can be collated on the existing staff composition and presented to senior management for discussion.
- HR can check what employment laws already say about diversity and inclusion issues and check that the SAI is complying with these.
- An SAI can scan its own environment and look at what other organizations are doing. What good practices or models exist? Are there well trusted civil society organizations who could be invited in to talk to staff in the SAI?
- Management can be encouraged to commit to this issue and to set goals, implement actions and set the example.

## Annexes

Annex 8a: Diversity and Inclusion Bingo

## Further resources

See Annex 1a.

## Hyperlinks

[http://www.mckinsey.com/careers/women/insights\\_and\\_publications/women\\_matter.aspx](http://www.mckinsey.com/careers/women/insights_and_publications/women_matter.aspx)

<https://implicit.harvard.edu/implicit/> (test on biases)

Chartered Institute of Personnel And Development. (2010) *Opening up talent for business success: integrating talent management and diversity*. London: CIPD. Available at:

<http://www.cipd.co.uk/hr-resources/research/talent-business-success-integrating-talent-management-diversity.aspx>

McAndrew, F. (2010) *Workplace equality: turning policy into practice*. London: Equality and Diversity Forum. Available at:

[http://www.edf.org.uk/blog/wp-content/uploads/2010/12/EDF\\_Report\\_Narrowing-the-GapFeb11.pdf](http://www.edf.org.uk/blog/wp-content/uploads/2010/12/EDF_Report_Narrowing-the-GapFeb11.pdf)

<http://csuchicocdo.wordpress.com/2012/02/06/the-diversity-iceberg-3>

<http://mountaintopinstitute.org/pdf/Monograph/Monograph%20-%20Iceberg%20Model.pdf>

# Chapter 9

## Well-being

### Introduction

Leading employers are increasingly paying attention to the overall well-being of staff. They recognize that staff are not just employees, but they have many other roles, as husbands, wives, community members, parents, or carers for older relatives. What happens to people outside work affects what they do in work. Many organisations are finding that by taking a broader approach to the well-being of staff they can reduce turnover and increase the productivity and engagement of their employees. Well-being activities are diverse. They can relate to and can involve the following domains:

- physical (i.e. physical/mental health, working environment)
- values (i.e. ethical standards, diversity, commitment)
- personnel development (i.e. autonomy, life-long learning)
- emotional (i.e. positive relationships, social responsibility)
- work/organisation (i.e. change management, job security)

### What is well-being?

The Chartered Institute of Personnel and Development (CIPD) defines well-being as:

‘Creating an environment to promote a state of contentment which allows an employee to flourish and achieve their full potential for the benefit of themselves and their organisation.’

### Key Questions

#### 1 Why is the well-being of employees important?

- Employers want employees who will do their best work or ‘go the extra mile’. Employees want jobs that are worthwhile and that inspire them. More and more organisations are looking for a win-win solution that meets their needs and those of their employees. What they increasingly say they are looking for is an engaged workforce. A lack of, or low, well-being at work can cost SAs a considerable amount of money through lost working days and low productivity. Employee engagement contributes to more productivity, better work, less sickness leave and less turnover. As the success and quality of an SA depend on its human resources, well-being is an essential element in the HR-strategy.

## 2 What activities should an SAI carry out? What is necessary in your case?

- As well-being covers a large field of different domains it is important to choose domains that are relevant for your SAI. It can be worthwhile executing an employee satisfaction survey. This research will offer insight on how to prioritise. When this is too much of an investment the HR department could analyse information from performance appraisals, reports from exit interviews and other relevant information. Another alternative is to convene a small group of staff representatives and draw up a well-being plan.
- To some extent, a focus on wider well-being issues can be built into a wide range of HR policy work and activities. For example, policies on flexible working can recognise that parents may need to take time off on occasion to look after a sick child – having these policies in place which fairly recognise the needs of the SAI and the needs of the employee can do a great deal to reduce uncertainty, increase transparency and help staff feel trusted and valued.

## 3 What are success factors for organisational and employee well-being?

- Organisations that are well-being-orientated provide the tools to get the work done and the opportunity to achieve personal aspirations while maintaining a work-life balance.
- Some of the essential factors leading to organisational and personal well-being are (Kraybill, 2003):
  - values-based working environment and management style;
  - open communication and dialogue;
  - team working and co-operation;
  - clarity and unity of purpose;
  - flexibility, discretion and support for reasonable risk-taking;
  - a balance between work and personal life;
  - the ability to negotiate workload and work pace without fear of reprisals or punishment; and
  - being fairly compensated in terms of salary and benefits.

All this is much more likely to occur if the well-being programme has the explicit sponsorship of the management of an SAI.

## Dilemmas

### 1 Is well-being a once-only event or regular business?

- Well-being should be embedded in the SAI's organisational culture.
- From time to time employees will need new stimuli to remain happy and productive in their job. For optimal results, well-being initiatives have to be tailor-made and flexible. Furthermore the SAI has to demonstrate and communicate regularly the positive benefits of the well-being initiatives.

### 2 How to measure the well-being or job satisfaction of employees?

- To start with well-being and job satisfaction should be discussed during the yearly interviews. To get an overview of the personnel satisfaction levels of staff, surveys can be used. Such surveys provide an opportunity for staff to indicate their levels of satisfaction and to suggest ways things could be improved. Samples of such surveys can be tailor-made, bought or found on the internet. Figures on sickness levels, staff turnover rates, anonymous feedback from an SAI's medical officers, participation in company outings and the willingness to do overtime might also give important information on the level of well-being.

### 3 Who is responsible for the well-being of employees?

- Responsibility for the well-being of employees resides with an SAI's managers supported and guided by HR staff. In large HR units, one member of staff may be given this responsibility. That staff member will be responsible for gathering data, for developing policies, providing guidance to managers and, at times, running events to stress the importance the SAI attaches to the well-being of staff.

### 4 Is there a difference between organisational wellbeing and personal/employee wellbeing?

- Organisational well-being is about employees having meaningful and challenging work and having an opportunity to apply their skills and knowledge in effective working relationships with colleagues and managers in a safe and healthy environment.
- Perhaps the most important factor in employee well-being is the relationship employees have with their immediate manager. Where there are strong relationships between managers and staff, levels of well-being are enhanced. A good manager will recognise the strengths, likes and dislikes of his/her team members and will be able to recognise when the volume or complexity of the work is too much for a particular team member. The more capable managers are in identifying the personal interests and concerns of the individual, the more likely they will be able to create a team where employee well-being becomes an integral part of getting the job done.



## Hyperlinks

### Well-being in general

The website of the Chartered Institute of Personnel and Development:

<http://www.cipd.co.uk/>

An introduction to Human Resource Management, Nick Wilton

<http://books.google.co.uk/books?id=fNnuczdzEC&pg=PA398&dq=definition+well-being+hrm&hl=en&sa=X&ei=heG8T7PCHsPF8gOE1LDcCA&ved=0CEkQ6AEwAg#v=onepage&q=definition%20well-being%20hrm&f=false>

A fine balance: a manager's guide to workplace well-being

[http://www.cspes-efpc.gc.ca/pbp/pub/pdfs/P109\\_e.pdf](http://www.cspes-efpc.gc.ca/pbp/pub/pdfs/P109_e.pdf)

### Wellbeing and work

[http://www.dataprevproject.net/files/training\\_program/Wellbeing\\_and\\_work.pdf](http://www.dataprevproject.net/files/training_program/Wellbeing_and_work.pdf)

<http://www.workandwellbeing.com/well-being-issues/what-is-employee-well-being/>

### Well-being strategy

<http://www.personneltoday.com/articles/2011/11/14/58013/how-to-define-an-employee-wellbeing-strategy.html>

### Employee Satisfaction Surveys

<http://humanresources.about.com/od/employeesatisfaction/a/surveys.htm>

<http://www.surveygalaxy.com/surPublishes.asp?k=XSD61IA7K02L&pubLogAction=getTokenId&pubUserSelection=anon&c=1&ref=&l=&p=>

<http://www.surveymshare.com/templates/employeehumanresources.html>

### Responsibility of employee-well-being

<http://www.personneltoday.com/articles/2012/01/09/58182/who-should-manage-employee-wellbeing.html>

## Chapter 10a

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## Chapter 10b

# Overview of relevant INTOSAI documents

### Pacific Association of Supreme Audit Institutions (PASAI)

Human Resources Management Manual

[http://www.pasai.org/site/pasai/files/manuals\\_guidelines/human\\_resources.pdf](http://www.pasai.org/site/pasai/files/manuals_guidelines/human_resources.pdf)

### Afrosai – E

Management Skills Course

Human Resources Management

A Handbook for Supreme Audit Institutions 2012

### IDI

IDI guide: Learning for Impact: A practice guide for SAIs

### CBC

Guide on professional qualifications for audit staff

# Chapter 10c

## Relevant ISSAIs

### ISSAI 1 The Lima Declaration

#### Relevant sections

Section 6.3: Independence of the members and officials of SAIs.

Section 7: Financial independence

Section 14.3: theoretical and professional development of staff

Section 14.4: Adequate salaries

Section 14.5: external experts

### ISSAIs 20 en 21: Principles of transparency and accountability

#### Relevant sections

Principle 4: standards of integrity and ethics

Principle 6: management of the SAI

### ISSAI 30: Code of Ethics

#### Relevant sections: all

Topics: Trust, Confidence, Credibility, integrity, Independence, Objectivity, Impartiality, Political neutrality, Conflicts of Interest, Professional Secrecy, Competence, Professional Development

### ISSAI 40: Quality Control for SAIs

#### Relevant sections

Element 1: Leadership responsibilities for quality within the SAI

Element 2: Relevant ethical requirements

Element 4: Human resources: policies, procedures.

### ISSAI 200: General Standards in Government Auditing and Standards with Ethical Significance

#### Relevant sections: all: topics

Recruitment, Professional Development, Training, Competence, Skills, Conflict of Interest, independence



Further copies of this guide are available on the  
INTOSAI Capacity Building Committee website:  
<http://cbc.courdescomptes.ma/>

