

Republic of Latvia
Cabinet
Regulation No. 238
Adopted 30 April 2013

Procedures for the Certification of Internal Auditors

*Issued pursuant to
Section 8, Clause 3 of the Internal Audit Law*

I. General Provisions

1. This Regulation prescribes the procedures for the certification of internal auditors (hereinafter – auditor) and for the maintaining the validity and cancellation of an internal auditor certificate.
2. This Regulation applies to ministries and institutions.
3. A State administration internal auditor certificate (hereinafter – certificate) shall attest that an auditor has successfully passed an examination, attesting the necessary work competence and qualification.
4. An auditor who wishes to acquire a certificate (hereinafter – candidate) shall take an examination in accordance with the procedures laid down in this Regulation.

II. Applying for the Receipt of a Certificate

5. In order to apply to take an examination, a candidate shall, by 15 April or 15 October of the current year, submit to the Latvian School of Public Administration an application (Annex 1) together with an attestation (Annex 2). The attestation shall be signed by the candidate and the person who has acquired the certificate or any of the certificates certifying the professionalism of the internal auditor recognised by the association “Institute of Internal Auditors”, or by the State Secretary (head of the institution).
6. In order to apply to take an examination, it is necessary for a candidate to have at least 24 months internal audit or external audit work experience in a ministry or institution.
7. If within 12 months after signing an attestation regarding the necessary experience a candidate has not passed the examination, the application and attestation must be re-submitted to the Latvian School of Public Administration.

III. Examination Procedure

8. The Latvian School of Public Administration in co-operation with the Ministry of Finance shall draw up not less than 500 examination questions in the following areas:
 - 8.1. the structure and operation of the State administration system of Latvia;

8.2. international standards for the professional practice of internal audit, the standards of the International Organization of Supreme Audit Institutions and the laws and regulations and methodology governing the field of internal audits;

8.3. types and systems of internal audit;

8.4. internal audit process;

8.5. risks and risk management;

8.6. internal control measures;

8.7. random methods;

8.8. specific features of the audit environment in State administration;

8.9. management of internal audit functions;

8.10. financial planning and accounting of State administration.

9. The list of questions referred to in Paragraph 8 of this Regulation shall be updated once a year, and no later than three months prior to the day of examination it shall be posted on the website of the Latvian School of Public Administration.

10. The Latvian School of Public Administration shall organise the taking of examination on the fourth Tuesday in May and the fourth Tuesday in November of the current year. If in the current year the fourth Tuesday in May or the fourth Tuesday in November coincides with a public holiday, the examination shall be transferred to the next working day.

11. The Latvian School of Public Administration shall publish on the website of the Latvian School of Public Administration and send to the candidate to the e-mail address indicated in the application information regarding the date, place and time of examination not later than two weeks prior to the day of examination.

12. On the day of examination three hours prior to examination taking place the Latvian School of Public Administration shall carry out random selection of 125 examination questions in the areas referred to in Paragraph 8 of this Regulation.

13. The 125 examination questions shall be selected in the following manner:

13.1. 15 questions shall be selected from each area referred to in Sub-paragraphs 8.2, 8.4, 8.5, 8.6 and 8.7 of this Regulation;

13.2. 10 questions shall be selected from each of the remaining areas.

14. The Director of the Latvian School of Public Administration shall, from the time the questions are selected until the end of examination, ensure that the content of the examination is not disclosed to third persons.

15. During examination a candidate shall answer 125 questions in writing as a test.

16. The time period for taking examination shall be four astronomical hours.

17. An examination shall be regarded as having been passed, if the proportion of correct answers is at least 75%.

18. The Latvian School of Public Administration shall determine the procedures for the selection, storage of the examination questions and ensuring technical organisation of examination, co-ordinating them with the Ministry of Finance, and post them on the website of the Latvian School of Public Administration.

IV. Certification Commission

19. The Latvian School of Public Administration in co-operation with the Ministry of Finance shall establish a Certification Commission (hereinafter – Commission). Members of the Commission shall be persons who have knowledge in the field of internal audit. The Commission shall be comprised of three members:

- 19.1. a representative from the Latvian School of Public Administration;
- 19.2. a representative from the Ministry of Finance who has acquired the certificate or any of the certificates certifying the professionalism of an internal auditor recognised by the association “Institute of Internal Auditors”;
- 19.3. an auditor recommended by the board of the professional association “Institute of Internal Auditors”, who has received any of the certificates certifying the professionalism of an internal auditor recognised by the association “Institute of Internal Auditors”.

20. The Director of the Latvian School of Public Administration shall approve the personnel of the Commission (members of the Commission and their deputies) with an order as needed, but no later than five weeks prior to the day of examination and shall select a chairperson of the Commission from the members of the Commission.

21. The chairperson of the Commission may be a person who has acquired the certificate or any of the certificates certifying the professionalism of an internal auditor recognised by the association “Institute of Internal Auditors”.

22. Members of the Commission have the following duties:

- 22.1. if it is not possible to attend a meeting of the Commission, to notify the Latvian School of Public Administration thereof not later than one working day before the meeting of the Commission;
- 22.2. to observe the random selection of questions for the examination performed on the day of examination three hours before examination;
- 22.3. to observe the taking of examination;
- 22.4. to evaluate the examination results;
- 22.5. to take a decision to grant a certificate or to refuse to grant a certificate, on the basis of the examination results;
- 22.6. to take a decision to cancel a certificate in the cases referred to in Paragraph 43 of this Regulation.

23. Members of the Commission have the following rights:

- 23.1. to express their views regarding the course of examination;
- 23.2. to make proposals to the Ministry of Finance and the Latvian School of Public Administration regarding the certification procedure.

24. The point of view of a member of the Commission regarding the items referred to in Paragraphs 22 and 23 of this Regulation shall be entered in the minutes of the meeting. The minutes of the meeting shall be signed by the chairperson of the Commission.

25. Members of the Commission shall be responsible for confidentiality of the content of examination.

26. The Latvian School of Public Administration shall determine the procedures for organising and convening meetings of the Commission.

27. The minutes of the meetings of the Commission shall be taken by a minutes recorder appointed by the Director of the Latvian School of Public Administration. The minutes recorder shall not be a member of the Commission. It is the duty of the minutes recorder not to disclose information that has become known to him or her during a meeting of the Commission.

V. Evaluation of Examination Results and Issuing of a Certificate

28. The Commission shall evaluate the results of examination and no later than five working days after the day of examination take a decision to grant a certificate or to refuse to grant a certificate.

29. The Latvian School of Public Administration shall inform each candidate in writing regarding the decision taken by the Commission in accordance with the procedures laid down in the Administrative Procedure Law.

30. If examination is not passed, a candidate has the right to become acquainted at the Latvian School of Public Administration with the received assessment expressed as a percentage and the filled-in examination form.

31. A candidate is entitled to apply repeatedly for taking examination. The number of repeated examinations is not restricted.

32. A certificate shall be signed by the Director of the Latvian School of Public Administration and the chairperson of the Commission based on the minutes of the Commission meeting.

33. The Latvian School of Public Administration shall issue a certificate to a candidate according to the decision of the Commission.

34. The Latvian School of Public Administration shall maintain and store the documentation associated with certification, as well as the files of the certified auditors in accordance with the requirements of the laws and regulations governing the field of document management and the security of data of natural persons.

35. By 30 June and 30 December of the current year the Latvian School of Public Administration shall update the list of certified auditors on the website of the Latvian School of Public Administration.

VI. Maintaining the Validity of a Certificate and Cancellation Thereof

36. In order to maintain the validity of a certificate, a certified auditor shall fulfil the following requirements:

36.1. participate in measures for improving professional qualification (not less than 40 academic hours within two years). If a certified auditor acquires a certificate certifying the professionalism of an internal auditor recognised by the association "Institute of Internal Auditors", it shall be considered equivalent to 40 academic hours of measures for improving professional qualification;

36.2. once every two years from the date when the certificate was issued submit to the Latvian School of Public Administration an attestation regarding improvement of professional qualification (Annex 3), appending copies of the respective documents attesting to improvement of the professional qualification of the auditor.

37. In the year in which a certificate was acquired the Latvian School of Public Administration shall grant 40 academic hours to a certified auditor to ensure conformity with the requirements referred to in Sub-paragraph 36.1 of this Regulation. Attestation regarding improvement of professional qualification need not to be submitted to the Latvian School of Public Administration for the first two years after issuing of a certificate.

38. Academic hours accumulated in measures for improving professional qualification shall not be carried forward to subsequent periods of maintaining the validity of a certificate.

39. The measures for improving professional qualification of an auditor referred to in Sub-paragraph 36.1 of this Regulation shall apply to the areas referred to in Paragraph 8 of this Regulation and the principal areas of activity of a ministry or institution, which are included in the internal audit environment of the ministry or institution.

40. If a certified auditor cannot fulfil the requirements referred to in Paragraph 36 of this Regulation due to justifiable reasons, he or she shall notify the Latvian School of Public Administration thereof in writing and present the documents that are the basis for the justification.

41. The following shall be considered to be justified reasons:

- 41.1. parental leave;
- 41.2. work or study in foreign countries;
- 41.3. temporary incapacity to work (more than four continuous months within two years);
- 41.4. restrictions due to *force majeure*, unforeseen event or other exceptional circumstances (more than four continuous months within two years).

42. The Latvian School of Public Administration shall prepare a report for the current meeting of the Commission, in which the attestations regarding improvement of professional qualification submitted by auditors are compiled.

43. The Commission shall take a decision to cancel a certificate:

- 43.1. if State civil service or employment legal relations with a certified auditor expire in the cases referred to in Section 11, Paragraph four, Clause 2 of the Internal Audit Law;
- 43.2. if a certified auditor has not complied with the procedures referred to in Sub-paragraph 36.2 or Paragraph 40 of this Regulation;
- 43.3. if a certified auditor has provided false information concerning his or her professional experience when submitting the attestation referred to in Paragraph 5 of this Regulation to the Latvian School of Public Administration.

44. The Latvian School of Public Administration shall notify on the decision taken by the Commission to cancel a certificate within 10 working days in writing.

VII. Contesting a Commission Decision

45. A candidate is entitled to contest a decision of the Commission within one month after entering into effect of the decision by submitting a respective submission to the Director of the Latvian School of Public Administration.

46. The Director of the Latvian School of Public Administration shall ensure a review of the submission referred to in Paragraph 45 of this Regulation in accordance with the procedures laid down in the Administrative Procedure Law.

VIII. Closing Provisions

47. Cabinet Regulation No. 1128 of 14 December 2010, Procedures for the Certification of Internal Auditors (*Latvijas Vēstnesis*, 2010, No. 204), is repealed.

48. A certificate issued prior to the day of coming into force of this Regulation shall have an unlimited term of validity or shall be valid until it is cancelled in the cases referred to in Paragraph 43 of this Regulation.

49. A second level certificate issued in accordance with Cabinet Regulation No. 307 of 10 June 2003, Procedures for the Certification of Internal Auditors, shall be considered equivalent to an auditor's certificate.

50. In order to keep valid a first level certificate issued in accordance with Cabinet Regulation No. 307 of 10 June 2003, Procedures for the Certification of Internal Auditors, an auditor shall fulfil the requirements of this Regulation regarding maintaining the validity of a certificate and cancellation thereof.

51. A candidate who in accordance with Cabinet Regulation No. 307 of 10 June 2003, Procedures for the Certification of Internal Auditors, has been issued a first level certificate, during the examination shall give written answers to 100 questions as a test.

52. In order to perform the test of the knowledge of the candidate referred to in Paragraph 51 of this Regulation, on the day of examination three hours prior to examination taking place the Latvian School of Public Administration shall carry out random selection of 100 examination questions in the areas referred to in Paragraph 8 of this Regulation.

53. The 100 examination questions shall be selected in the following manner:

53.1. 12 questions shall be selected from each area referred to in Sub-paragraphs 8.2, 8.4, 8.5, 8.6 and 8.7 of this Regulation;

53.2. eight questions shall be selected from each of the remaining areas.

Prime Minister

V. Dombrovskis

Acting for the Minister for Finance – Minister for Agriculture

L. Straujuma

To the State Administration Internal Auditor Certification Commission

(given name, surname)

(personal identity number)

(address of the place of residence)

(telephone number)

(electronic mail address)

**Application
for Receipt of a State Administration Internal Auditor Certificate**

I hereby request the permission to take the certification examination of an internal auditor of State administration in order to receive a certificate.

Attached to this application is an attestation on ____ pages.

(date)

(signature)

Acting for the Minister for Finance – Minister for Agriculture

L. Straujuma

Attestation

I hereby attest that the candidate _____
(given name, surname)

has the knowledge and professional experience required for taking an internal auditor qualification examination and for the receipt of a certificate.

Person providing the attestation

(given name, surname) (signature) (date)

I, _____, attest that in my work I observe
(given name, surname of the candidate)

the ethical principles of an auditor laid down in the Internal Audit Law.

Candidate

(given name, surname) (signature) (date)

1. Information regarding the candidate

1.1. given name, surname _____
1.2. institution and position _____
1.3. telephone number _____
1.4. e-mail address _____

2. Experience acquired by the candidate conforms to the following requirements (mark with an X)

At least 24 months internal or external audit work experience in a ministry or institution ☐

3. Information regarding professional experience of the candidate

3.1. position _____
3.2. institution _____
3.3. relevant time period _____
3.4. job description _____

4. Information regarding the person providing the attestation

4.1. given name, surname	_____
4.2. internal auditor's certificate ¹	_____
4.3. institution ²	_____
4.4. position ²	_____
4.5. contact details	_____

Notes.

¹ To be indicated if the attestation is signed by a certified auditor or an internal auditor who has acquired any of the international certificates certifying the professionalism of an internal auditor.

² To be indicated, if the attestation is signed by the State Secretary (head of an institution).

Acting for the Minister for Finance – Minister for Agriculture

L. Straujuma

To the Latvian School of Public Administration

Attestation Regarding Improvement of Professional Qualification

I. General Information

Given name, surname of the auditor _____

Position of the auditor _____

First level certificate No.

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 Date of issue

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Second level certificate No.

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 Date of issue

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State Administration Internal Auditor Certificate No.

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 Date of issue

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Period of maintaining the validity of the certificate from

--

 until

--

Phone number _____ Fax number _____ E-mail address _____

II. Information Regarding Measures for Improvement of Professional Qualification

No.	Type* and title of the measure	Place and time of the measure	Duration of the measure (academic hours)	Appended document or other source of information confirming the time and place of the measure, the matters under examination and the participation of the auditor in the measure

Note. * For example, provision of written and spoken presentations, participation in courses and seminars, educational and informational measures, acquisition of certificates certifying the professionalism of an internal auditor recognised by the association "Institute of Internal Auditors".

I hereby attest that the information regarding the measures for improvement of professional qualification is true.

(signature of the auditor)

(date)

Acting for the Minister for Finance – Minister for Agriculture

L. Straujuma