

PEMPAL INTERNAL AUDIT COMMUNITY OF PRACTICE

&

Knowledge products

23 member countries



Public Expenditure Management
Peer Assisted Learning

PEMPAL –a network, facilitates the exchange of professional experience and knowledge transfer among PFM practitioners in the ECA region.

Three thematic communities of practice -

- **Budget community of practice**
- **Treasury community of practice and**
- **Internal audit community of practice (IACOP).**

PEMPAL members are government officials from ministries of finance, national treasuries, and other related central agencies

Key donors and development partners of PEMPAL: SECO, the Ministry of Finance of the Russian Federation, European Commission and the World Bank. OECD and Dutch National Academy for Finance and Economy provide non-financial support.

PEMPAL aims to support the member country governments to use public resources more efficiently and effectively.

23 countries

Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic¹, Georgia, Hungary², Kazakhstan, Kosovo, Kyrgyz Republic, Moldova, Montenegro, North Macedonia, Romania, the Russian Federation, Serbia, Tajikistan, Turkey, Ukraine, and Uzbekistan.

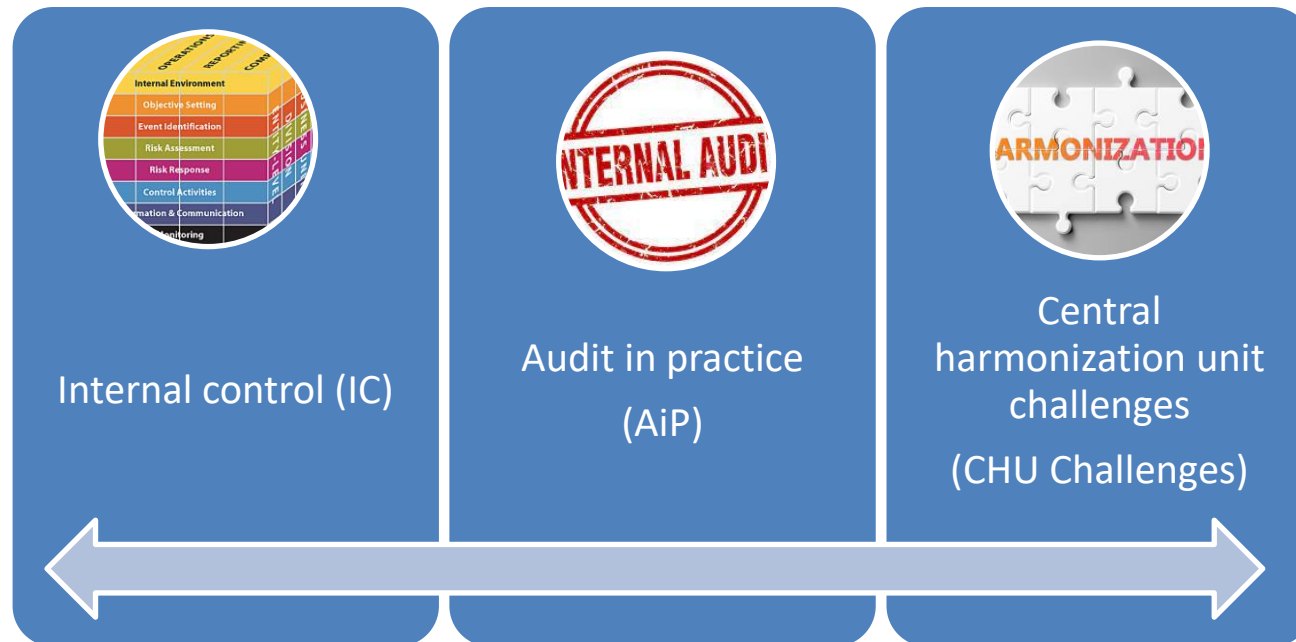
Motto:
unityINdiversity



IACOP priority topics

- **Improving the value and impact of internal audit.**
- **Identifying factors to increase the effectiveness of internal audit** in the public sector.
- **Practical implementation of the audit cycle** and different types and operational models of audits, including IT solutions (Audit in Practice Working Group).
- **Public internal control** - the role of central harmonization units and internal auditors (Internal Control Working Group)
- **Central harmonization units** - challenges and functions at different stages of reform. Their role in public sector reform coordination.
- **Development of IACOP knowledge products**

IACOP working groups

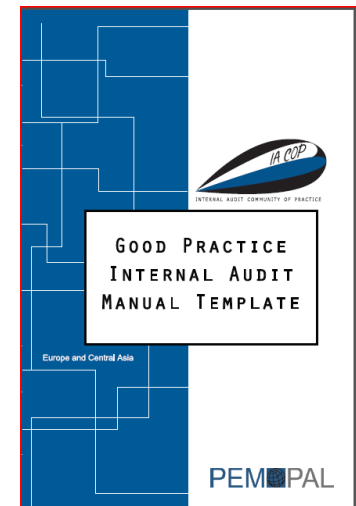
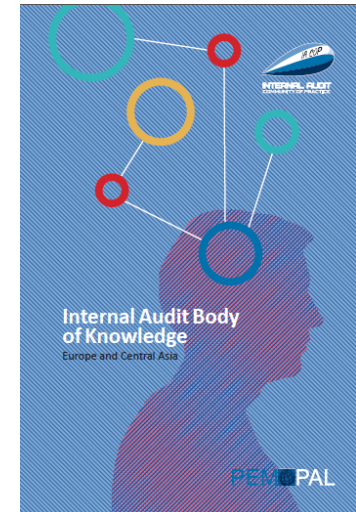
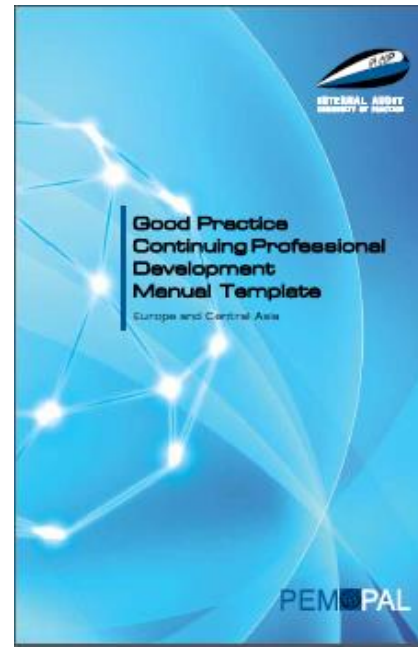


The format of events

- F2F events: Plenary, working groups and thematic meetings, ExCom members and leaders' meeting, study visits
- Videoconferences, webinars, Smart Interactive Talks, Breakfast Talks, virtual study visit

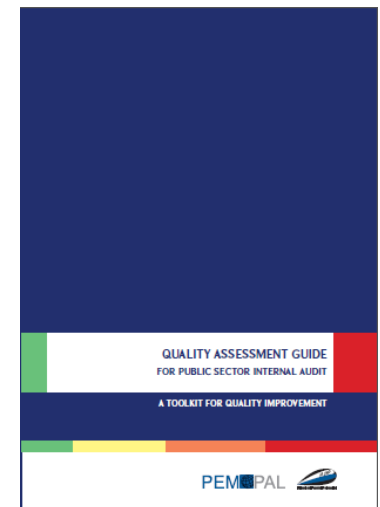
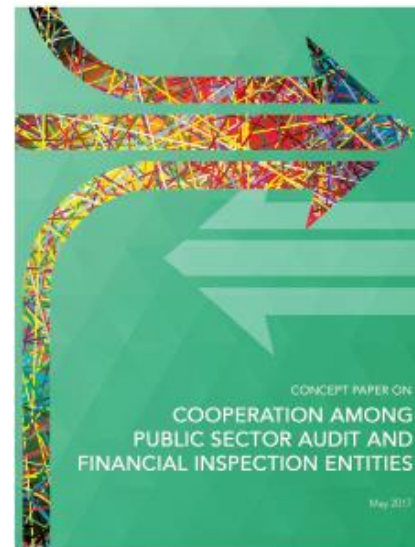
IACOP Good Practice Knowledge Products

- **Good Practice IA Manual Template**
- **Good Practice CPD Manual Template**
- **Internal Audit Body of Knowledge**

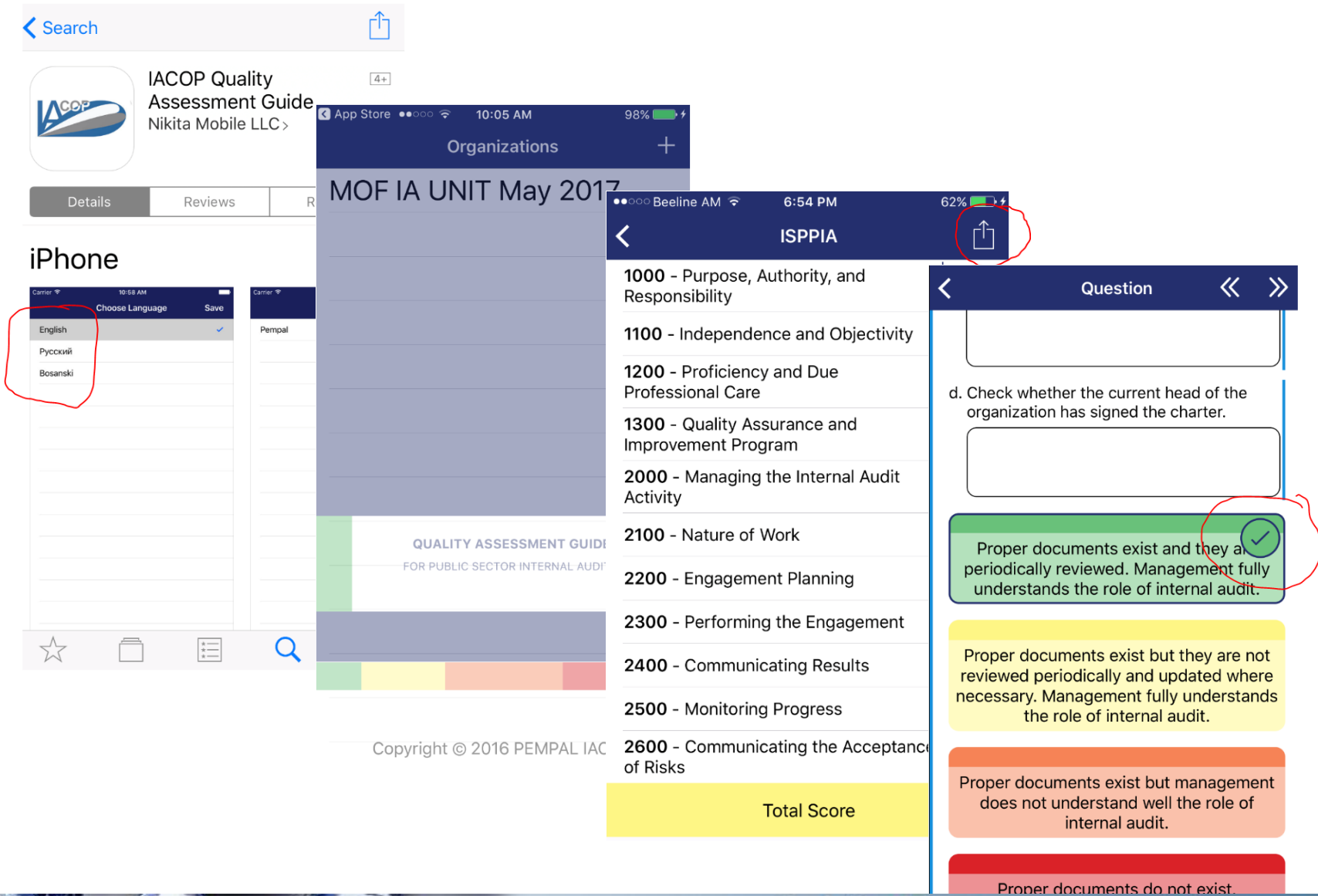


IACOP Good Practice Knowledge products

- **Risk Assessment in Audit Planning**
- **Concept Note on RIFIX (Relationship of Internal Audit with Financial Inspection and External Audit)**
- **Quality Assessment Guide**



Our new Quality Assessment App

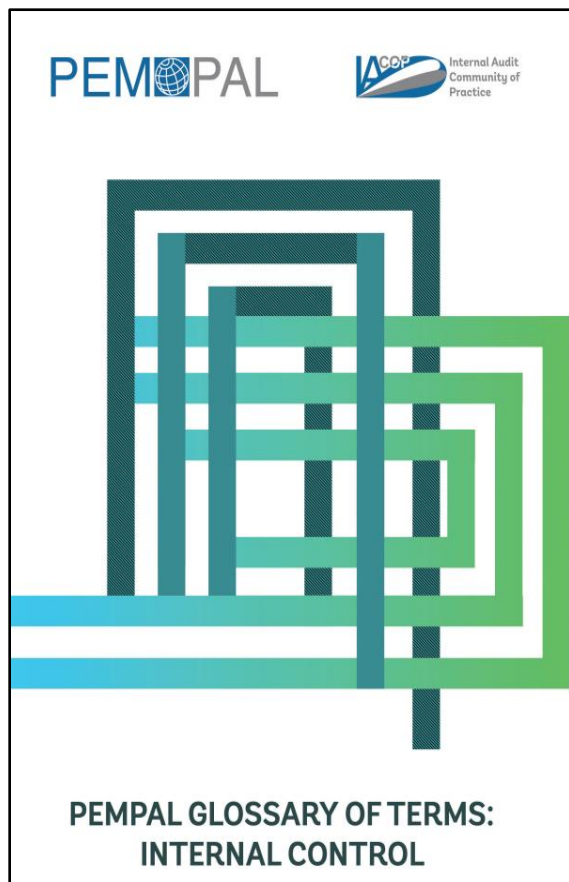


The screenshot displays the IACOP Quality Assessment App interface across several screens:

- Language Selection:** A screen titled "Choose Language" with options: English (selected), Русский, and Bosanski. A red circle highlights the "English" option.
- Organizations:** A screen titled "Organizations" showing a list of organizations. One entry is "MOF IA UNIT May 2017". A red circle highlights the share icon in the top right corner.
- ISPPIA Standards:** A screen titled "ISPPIA" listing standards from 1000 to 2600. A red circle highlights the share icon in the top right corner.
- Question Response:** A screen titled "Question" showing a question: "d. Check whether the current head of the organization has signed the charter." Below the question are four response options, each in a colored box:
 - Green box (selected):** "Proper documents exist and they are periodically reviewed. Management fully understands the role of internal audit." A red circle highlights this option and its checkmark icon.
 - Yellow box:** "Proper documents exist but they are not reviewed periodically and updated where necessary. Management fully understands the role of internal audit."
 - Orange box:** "Proper documents exist but management does not understand well the role of internal audit."
 - Red box:** "Proper documents do not exist."

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PEMPAL Glossary of terms: Internal Control

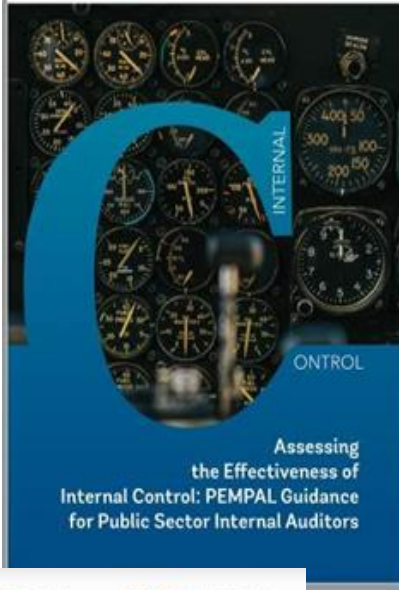


Compiled by the IC WG for use by central harmonization units and internal auditors to help promote consistent understanding of key internal control terms.

Generic terms that relate to Public Internal Financial Control
Terms that relate to Risk Management
Terms that relate to COSO based Internal Control
Terms that relate to the elements of a performance Management Framework

PEMPAL Guidance for Internal Auditors on Assessing the Effectiveness of Internal Control

Developed by the IACOP to help internal auditors better understand the main features of effective internal control and how best to assess its maturity and effectiveness



GUIDANCE ON MONITORING OF THE INTERNAL AUDIT FUNCTION BY THE CENTRAL HARMONIZATION UNIT

Guidance on Monitoring on the Internal Audit Function by the Central Harmonization unit

The guidance is developed by the CHU Challenges Working Group.

CHU monitoring is a core role of the CHU with two perspectives: compliance with standards/regulations/methodology and quality/added value.



Public sector internal audit and internal control framework: Swiss approach

Based on the materials and discussion at PEMPAL ACOP and Swiss State Secretariat for Economic Affairs meeting on July 1, 2020 which focused on the Swiss approach to the implementation of public sector internal audit and internal control frameworks.

PEMPAL Guidance on Internal Audit: Demonstrating and Measuring Added Value

How to demonstrate the value added by internal audit in the public sector in the particular circumstances that exist in different PEMPAL member countries; and

How to measure the added value of internal audit work in the public sector in terms of “Value for Money” (economy, efficiency, and effectiveness).



Key Performance Indicators for Internal Audit Function

Based on materials from the June 2020 IACOP event on identifying good practice for heads of IA units on the use of key performance indicators.



The Impact of COVID-19 on the Role and Activities of Internal Audit



- Based on materials and discussions from the IACOP smart interactive talk in April 2020 on the impact of the COVID-19 pandemic on internal audit work.

*Coming soon:
IT Audit: Practical Guidance
for Internal Auditors in the Public Sector*



Internal Audit
Community of
Practice

- IT annual risk assessments, the IT audit universe, IT audit engagement planning, execution, and reporting, as well as the process to follow-up recommendations
- IT governance challenges in the public sector including strategic IT risk management and how to audit IT Governance in the public sector; critical business application system controls and the supporting IT general controls; Business Continuity Management audit
- how to be a strategic adviser to senior management in this digital era

**Thank you for your attention.
Questions?**

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