COMMUNIQUE

of the PEMPAL Internal Audit Community of Practice (IACOP)

Annual Plenary meeting of 21-23 March 2016 in Prague, Czech Republic

The PEMPAL IACOP has achieved and agreed on the following:

1) Presented to the IACOP members, donors, guests, and partners our latest knowledge product, the Quality Assessment Guide – a toolkit for quality improvement in the public sector internal audit. This unique product is the end result of a series of IACOP meetings and work in between where country lead internal audit practitioners collectively developed a knowledge product on how to raise the bar with regard to the effective implementation of good internal audit practices in their respective countries. A few countries have already stated using this toolkit as a guide to improve their internal audit functions.

2) The participants learned how countries have implemented public internal control. They exchanged ideas following presentations from the European Union, Russia, South Africa, Brazil, Belgium, France and the Czech Republic. Specific attention was given to how accountability can be ensured within the system of internal control. We also learned that the effectiveness of the internal control model is directly related to the culture and maturity of a country with regard to risk, control and audit. The host of the Plenary meeting, the Czech Ministry of Finance, presented its status and challenges on the implementation of public internal control. These challenges were taken up by the various discussion groups, which in turn gave feedback and advice to our Czech colleagues on how to progress.

3) We shared key developments in the area of internal audit, both at the global level (update to the framework of internal auditing standards) as well as at the regional level. The Dutch and Belgian representatives explained the rationale and challenges behind their centralized model of internal audit. Russia, Romania, Kazakhstan, Montenegro, Armenia, Serbia, Bosnia and Herzegovina, Moldova and Croatia shared their progress, challenges and ambitions which showed a lot of efforts made and goals achieved with the help of the PEMPAL IACOP.

4) We introduced a new working group on Internal Control, whereby the participants had the opportunity to express their priorities with regard to the scope of the working group. We are aiming at developing through our learning and sharing of experience a Position Paper on the role of internal audit and the CHU in the assessment and development of Public Internal Control. We intend to identify guidance and good practices, which could be used by our countries as a reference.

5) The Concept Paper on the relationship of Internal Audit with Financial Inspection and the External Audit (Supreme Audit Institution) was also discussed at the meeting, including models of practical application. It was considered to be much valuable document for the countries. The Concept Paper was agreed to be finalized during upcoming meeting and published.

Throughout the entire meeting all participants were triggered to involve themselves actively in the various discussions and presentations, whereby due attention and respect were given to the variety of languages and cultures within the IACOP.