



Risk analysis for strategic and annual planning

Experiences of the Central
Government Audit Service

2021

2018

2015

2015

2018

2021

index

- Introduction
- Riskanalysis/Changes
- Analysisprocess
- Strategicplanning
- Annualplanning
- Forensic audits

2021

2018

2015

2015

2018

2021

12-5-2015

Central Government Audit Service
of the Netherlands

Introduction

- Central Government Audit Service
 - Each ministry dedicated auditors
 - HRM, shared services, EU-grants
 - Special professional skills (IT/OA)
- 600 professionals
- Ministry of Finance
- Paul Scholte

2021

2018

2015

2015

2018

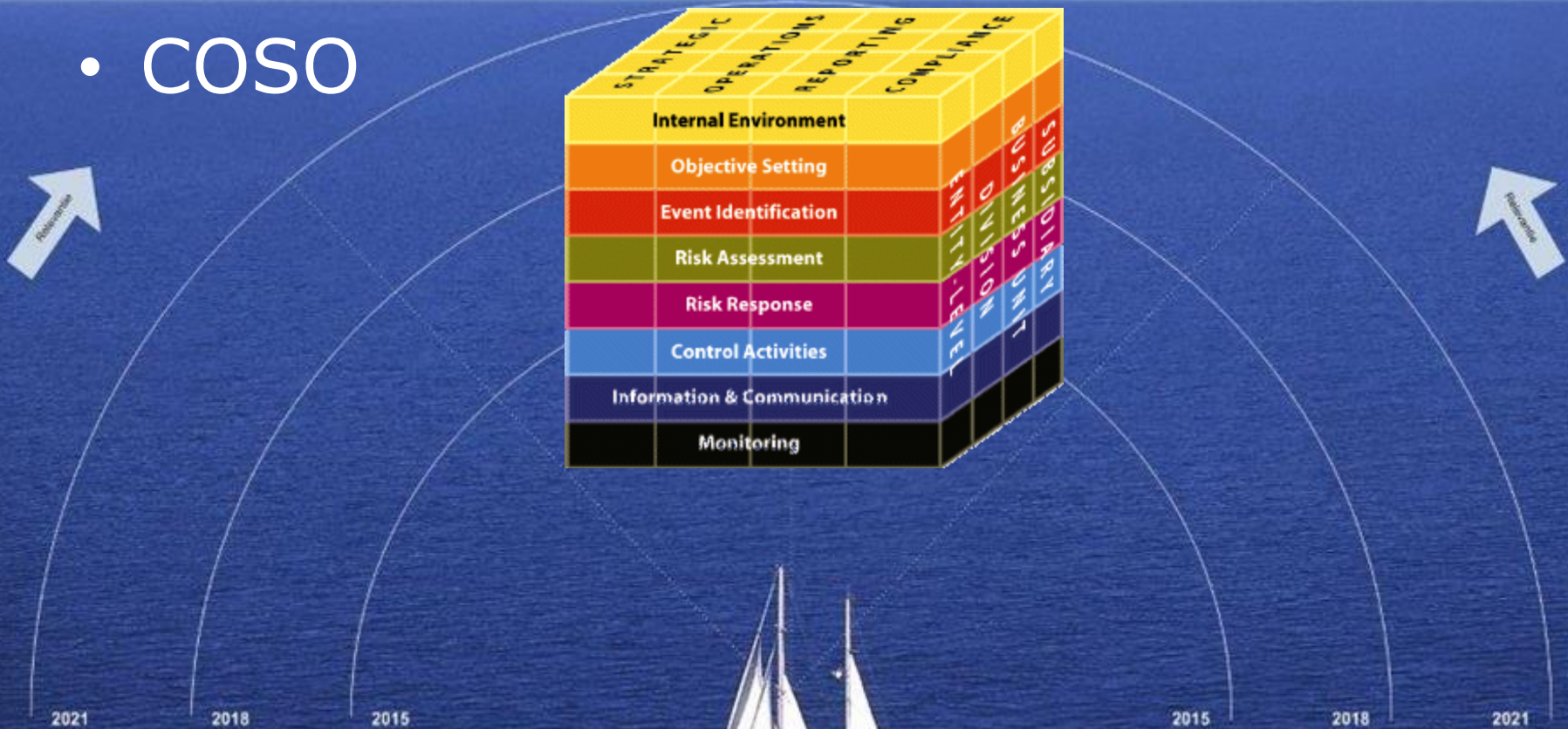
2021

12-5-2015

Central Government Audit Service
of the Netherlands

Risk analysis

- COSO



No changes, no risks

- Expected changes
- Planned changes
- Changes by surprise



2021

2018

2015

2015

2018

2021

12-5-2015

Central Government Audit Service
of the Netherlands

Changes

- Societal changes
- Central Government
- Other governmental bodies
- Central Government Audit Service



2021

2018

2015

2015

2018

2021



12-5-2015

Central Government Audit Service
of the Netherlands

Expected changes

- Lengthening life expectancy
- Increase in digital dataprocessing
- Open data
- Participatory society

2021

2018

2015

2015

2018

2021

12-5-2015

Central Government Audit Service
of the Netherlands

Planned changes

- EU legislation
 - Financial regulations
 - Privacy rules
- Government Coalition agreement
 - Decentralisation care
 - Tax and pension restructuring
 - Digital communication
 - Cost reduction

2021

2018

2015

2015

2018

2021

Changes by surprise

- Exploring Taskforce
- Analysis available data
- Quick response
- Evaluating measures taken

2021

2018

2015

2015

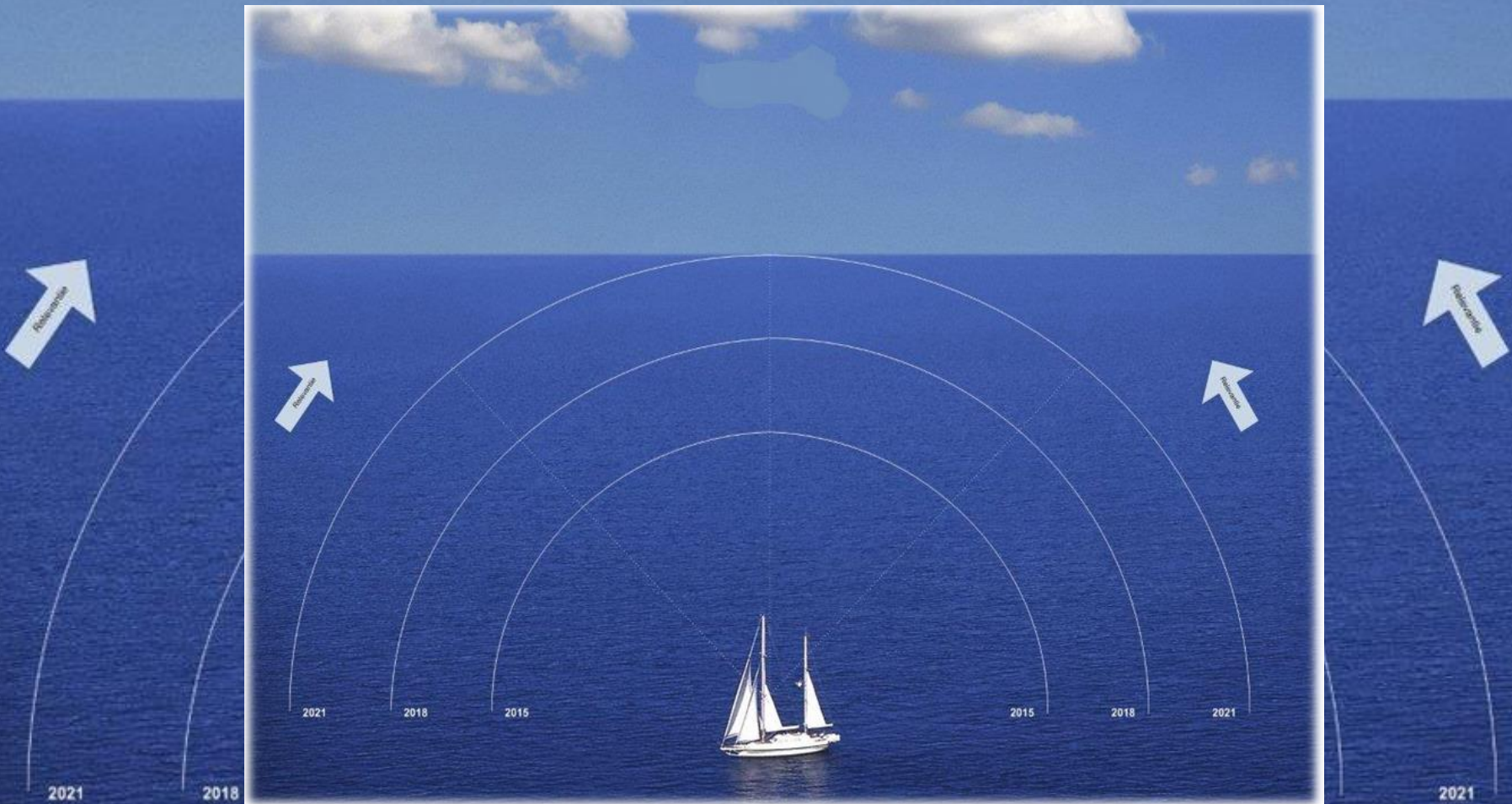
2018

2021

12-5-2015

Central Government Audit Service
of the Netherlands

Planning Process



12-5-2015

Central Government Audit Service
of the Netherlands

Why?

- The one being prepared for the future:
 - Needs to be sensitive for trends
 - Needs to have focus on developments
 - Needs to see the opportunities of today
 - Is able to act instantly

2021

2018

2015

2015

2018

2021

How?

- Planning along four lines
 - Auditing process
 - Human Resource Management
 - Accountability, responsibility and organisation
 - Information Technology
- Together
- Permanently

2021

2018

2015

2015

2018

2021

Setting the track

- Focal point at the horizon
- First initial planning
- Change of plans
- Are we still on track?
- Focal point changes all the time
- The certainty in life is the permanent change

2021

2018

2015

2015

2018

2021

ADR 2021

Assumptions:

- Internal Audit service Central Government
- Delivering added value
 - assurance, operational audit and compliance
 - not only afterwards, more and more upfront
 - compliance, as well as efficiency and effectiveness

change in order to stay of value

2021

2018

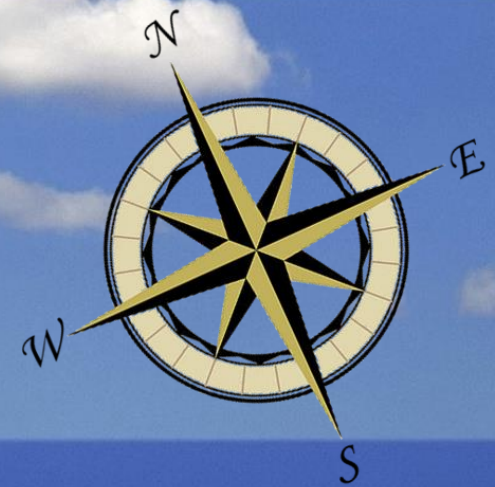
2015

2015

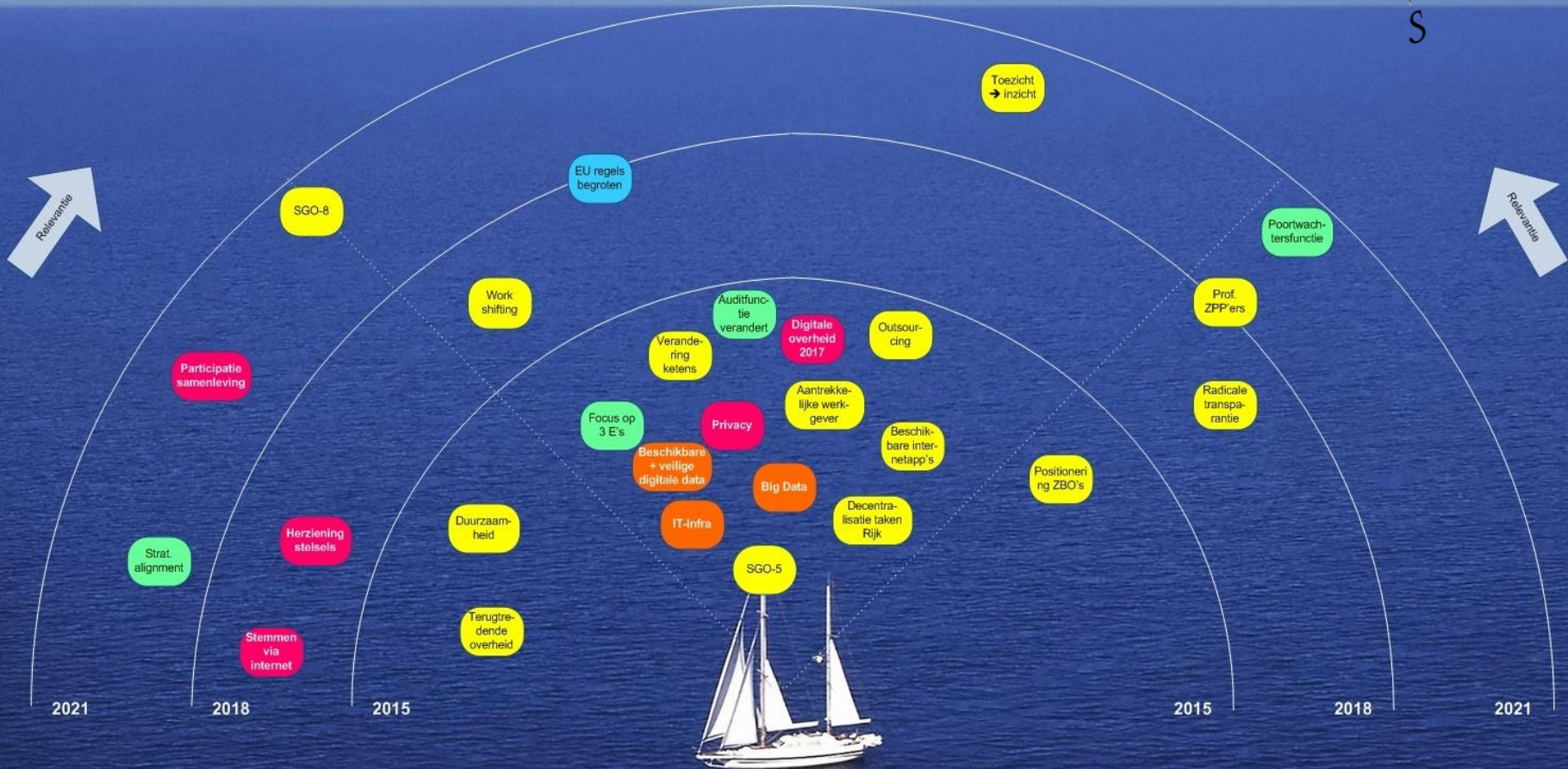
2018

2021

RADAR ADR



1st Setting the track



12-5-2015

Central Government Audit Service
of the Netherlands



Audit proces

- IT-driven audit methodology
- Theme coordination
- 3 lines of defence
- Integrated audit- & investigation methodology

2021

2018

2015

2015

2018

2021

HRM

- Less is more
- Employment relationship
 - from competence to talent
 - More attention for personal & professional development
- Professional development
 - integration and cooperation
 - Professional excellence
 - From assurance to advisory

2021 — 2018 — 2015 — 2015 — 2018 — 2021

ADR organisation

- Theme relevance as basis
- Network organisation
- Small steady core,
- Flexible professional shells
- Selfsteering teams

2021

2018

2015

2015

2018

2021



ICT

- IT-driven audit methodology
- Attention for all IT Layers
- Shift to infrastructuur



2021 2018 2015 2015 2018 2021



Annual planning

- Audits versus Original input capacity
- Deadlock ministries & ADR clusters
- Reallocating capacity
- Permanent & Variable audits,
- External demands
- Internal developments

2021

2018

2015

2015

2018

2021

12-5-2015

Central Government Audit Service
of the Netherlands

Allocation auditcapacity

- EU 15 % 90k
- Annual accounts 55 % 330k
- Operational & IT 30 % 180k

2021

2018

2015

2015

2018

2021

12-5-2015

Central Government Audit Service
of the Netherlands

Forensic auditing

- Fraud
 - Opportunity, Motivation, Rationalisation
- Risk assessment/Detection/Prosecution
- Integrity
 - Tone at the top, rules and information
 - dilemma approach, handling violations,

2021

2018

2015

2015

2018

2021

12-5-2015

Central Government Audit Service
of the Netherlands

Annual integrity survey



- I** Tone at the top
- II** Clarity Message
- III** Realistic
- IV** Involvement
- V** Transparency
- VI** Moral Deliberation
- VII** Accountability
- VIII** Enforcement



High risk
Challenge

Average risk
Sufficient

Low risk
Strength



2021 2018 2015 2015 2018 2021



Ministry of Infrastructure and the Environment Survey 2013



Questions?



2021

2018

2015

2015

2018

2021

12-5-2015

Central Government Audit Service
of the Netherlands