



Report

Plenary Meeting 25 - 28 May, 2010

7th PEMPAL Internal Audit Community of Practice

Centre for Excellence in Finance, Ljubljana, Slovenia

Introduction

The 7th PEM PAL Internal Audit Community of Practice Plenary Meeting took place in a meeting room at a hotel in Yalta. There were 48 participants from around sixteen different countries. There were three tables of Russian speakers, one table of Croatian speakers and two tables of English speakers and simultaneous translation throughout. The agenda objectives and intended outputs were as follows:

Objective	Output
1. Continue developing the community as a dynamic learning partnership between its members	Keep a shared memory in the wiki and produce a newsletter using Tomislav's framework
2. Present T&C working group output since last meeting	Prepare an action plan for next steps
3. Explore relations between internal and external audit	Document the opportunities and challenges
4. Deepen our understanding of two community challenges: <ul style="list-style-type: none"> • Inspection and internal audit • Managing the transition to IA 	Prepare 3 – 5 precise recommendations for managing this process
5. Use our collective experience to help a member with a current problem	Write a summary of what members learned from collective experience of group (which can be revisited at a meeting in the future to see how helpful it was)
6. Forge links with the other PEMPAL communities of practice	Document common topics of concern and create a working group to take this forward

These were ambitious objectives for one meeting and were mostly fulfilled:

1. The shared memory is in the wiki on this page: <http://pempaltc.wikispaces.com/Yalta10> and although the newsletter was not produced at the meeting a lot of the material was generated.
2. The T&C working group shared their work and the power point presentation they had generated and, because of time constraints in the agenda, all members were asked to write their next steps and give them in rather than present them at the meeting. To date, no-one has done so.
3. Relations between internal and external audit were discussed in relation to the cases of Romania, Turkey and Serbia and each country produced a poster of their country relations.
4. Precise recommendations in the form of a resolution was written for the transition to IA. A case clinic was held with Ukraine to help them in their current situation and some brief notes of what they learned from the collective experience of the group.
5. A meeting was held with Elena Nikulina representing the Treasury and Budget communities of practice where a working group was decided for taking common topics of concern forward.

In this report I have focused on a review of the output and suggestions of the leadership groups made at this meeting. This review has led me to make two types of recommendations. One set of recommendations is a development of the suggestions made by the leadership groups. The other set of recommendations are some strategic reflections and suggestions for the community of practice as opposed to recommendations for individual meetings. I have also included in the annex some recommendations clustered and compiled by Judith Hoffman based on our discussion after the meeting. These can be found in

Annex 1.

Leadership groups

There were five leadership groups at this meeting, each one concerned with a different aspect of the meeting. The **Agenda Activists** were concerned with documenting and analysing which topics and activities should be prioritized in future meetings. The **Community Keepers** were concerned with making sure the right voices are at the table, including the voices of newcomers to the meeting and the voices or participation of people who were not present. **Critical Friends** were concerned with monitoring what activities and processes were working or not during the workshop. **Social Reporters** were concerned with keeping the memory of what happened. The **Knowledge Brokers** were experts and people outside the community who were invited to broker the knowledge between their own community and this one.

Each of these groups made some contribution to the meeting and the following sections are a report back from each leadership group with some comments and further recommendations from myself.

1. Social reporters - a summary

The social reporters produced a summary at the beginning of each day of the highlights from activities that took place on the previous day. One group of social reporters created a sketch of photographs and captions of the entire event and presented it at the end of the meeting. These summaries can be found on the wiki here: <http://pempaltr.wikispaces.com/yaltasummaries>

I noted that the work of note-taking and shared summaries of the social reporters largely fell to Senka Maver from CEF. Consequently we have some very good summaries from the meeting, photographs of flip charts and slideshows but few shared notes. If shared notes are important, then we should be sure to have a different strategy at the next meeting for better distributing the note-taking task. A recommendation of the social reporters from the previous meeting in Yerevan was that each table should have a lap top for taking direct notes from the group at the table. These could be shared immediately on the wiki or compiled in a Word document. I think this would be a fruitful procedure at any future meeting.

→ *Recommendation: make sure there is at least one lap top and a USB pen at each table for capturing highlights or notes of discussions and output from the tables. The notes could be copied onto the USB pen and compiled for the wiki before the end of the meeting.*

This was the second time that a group of social reporters has created a satirical look at the meeting events. I propose that we keep these presentations in a gallery in the wiki as part of the history of the community.

→ *Recommendation: open a space in the wiki for the meeting story as told by the social reporters.*

2. Community Keepers - newcomers and potential invitees

Community keepers played an important role in welcoming newcomers to this meeting and encouraging them to ask questions by giving them pre-formed questions to ask at different times in the meeting. This care of newcomers and of getting their perspectives is an important one for the vitality of the community.

The community keepers collected suggestions for who should be “at the table” at the next meeting and this was their list:

- Representant of DG Budget, Brussels
- Budget Directos Puku Mapzuu and Muku Xakunem
- Representant of SIGMA specially on FMC issue
- One decision maker (management level) from each country
- Bulgaria, Kosovo, Macedonia, Uzbekistan, Poland, Lithuania
- Robert de Koning & Ritva Heinkenen
- Heads of the CHUs on PIFC issues, or regulatory bodies from all countries
- Each country should be represented by CHU and IA's of state and Municipality
- Our group wants to see: 1) World Bank; 2) SIGMA, 3) InWent, 4) EK-DIRECTORAT FOR BUDGET 5) IIA Treasury Financial Managers
- A Service Manager

It could be helpful to classify if these people would be invited to the meetings as community members, guests or knowledge brokers. Different categories of people require different strategies for the invitation and the design of their participation.

→ *Recommendation: the community keepers could also be responsible for categorising the different types of people to be invited to the next meeting and for what purpose; this would help shape the invitation, expectations and activities in which they are to be involved.*

3. Agenda Activists

The agenda activists kept a record during the meeting of issues and challenges arising that could become future topics for this community of practice to address. They presented five topics at the end of the meeting and invited all participants to vote with their signature on the two most important topics they think should be pursued by the community. Everyone was invited to add a smiley beside their name if they were prepared to take a leadership role in this topic. These were the results:

TOPIC A: IA Training & Certification

17 signatures and four people who volunteered to take a leadership role

Topic B: IA Quality Assurance - internal, external and role of IA audit

6 signatures and three people who volunteered to take a leadership role

Topic C: Managerial accountability - concepts and terminology, statement of assurance

12 signatures and two people who volunteered to take a leadership role

Topic D: IA legal set up - spavins (?), status, IA committee, model law

3 signatures and one person who volunteered to take a leadership role

Topic E: CHU organization - transparency of CHU work

13 signatures and eight people who volunteered to take a leadership role

Photos of the voting can be seen at these links:

<http://bevtrayner.com/pt/pempal/yaltaab.jpg>

<http://bevtrayner.com/pt/pempal/yaltacd.jpg>

<http://bevtrayner.com/pt/pempal/yaltae.jpg>

Table 2: topics and number of people who voted or volunteered for leadership roles

In developing these topics it is also important to start developing a strategy for immediately achievable and long-term outputs that would benefit people's practice. Those people who have volunteered to take a leadership role in that topic should not just be seen as possible presenters for the topic, but rather they are the beginning of a design team to see how to take that part of the community's learning agenda forward.

→ *Recommendation: Frame the task of the people who have volunteered for leadership of topics as design team members who will help develop a strategy for outputs, milestones and activities to take the community forward in this topic area.*

4. Critical friends: appreciations and suggestions

The critical friends collected feedback about what participants appreciated and suggestions for future events. These are in the table that follows. After the table I have reflected on some of these appreciations and suggestions and added some more detailed recommendations. The numbers in brackets are a reference to the number of my reflection and recommendation

Appreciate	Suggestions
<ul style="list-style-type: none"> ● Joint discussions ● Final session (i) ● Interactive model ● Best moderator so far ● Selection of topics was good (ii) ● Working environment: communication, continuous team building ● Best interpreter ● Opportunity to share experiences ● Location and hotel service was very good. 	<ul style="list-style-type: none"> ● Shorter presentations - more time for discussions (iii) ● Not only group oriented, but the audience oriented to learn nation-wide appreciation ● Presentation questions then the discussions ● Informational background about countries making presentations shall be provided in advance (iv) ● Separate presentations for countries with developed IA and developing IA ● Regional conference on IA for Ukraine, Moldavia, Georgia, Armenia - common issues (v) ● More time to discuss differences between PIFC and IA (vi) ● Discussions should be attended by top management (minister and deputy minister) (vii) ● Time management. Start at 10 a.m. To 6 p.m. With shorter breaks. ● Countries should bring updated information on the developments from the last seminar to the present. It should be written in the invitation letter. (viii)

Table 1: of critical friends summary of lessons learned at the Yalta meeting.

(i) Final session - Case clinics

The column of "appreciation" shows that people appreciate discussions, the group atmosphere and the opportunity to share experiences. Also near the top of the appreciation list was "the final session". The final session was a case clinic which dealt with a live problem by Ukraine and where people worked in small groups to

address specific questions by the participants from Ukraine. It should be noted that a highlight of the meeting in Yerevan was the case clinic brought to the table by Armenia. Case clinics are the kind of activity that directly affects practice and has immediate value. It could be fruitful for PEMPAL to develop the practice of doing case clinics as an activity.

→ *Recommendation: develop and refine the practice of doing case clinics as a learning activity*

In relation to case clinics I think we missed an opportunity at this meeting to invite feedback from Armenia about the outcomes since the last meeting. How did their situation progress? What were the most helpful suggestions and comments from the group? When people present a case clinic with feedback from other members we should be sure to follow up with the case to hear how it is making progress.

→ *Recommendation: be sure to invite the people from Ukraine to feedback at the next meeting on the progress they have made since the case clinic in Yalta. What have they learned since then that they can share with the group?*

(ii) Selection of topics - Creating outputs

Participants also appreciated the selection of topics for the meeting. This was largely due to the work of the agenda activists at the previous meeting in Yerevan who were “collecting topics” and prioritizing them for this meeting. The same process was carried out in Yalta with a voting of the priority topics in the final session. People were also invited to indicate if they were prepared to take a lead with this topic. My reflection is that while the collection of topics is good, it is also important to see what can be achieved with that topic. Not only should topics be discussed but the group needs to be collectively producing outputs that will help them in their practice. These topics should be indicators for smaller and bigger outputs that can be collaboratively created by sub-groups or the whole group. The work of the T&C, also a priority topic voted at the meeting is an example of a sub-group creating outputs for the whole community.

→ *Recommendation: clearly define some outputs (both “low-hanging fruit” and longer-term more strategic outputs) that can both be achieved at the meeting and others which can be achieved over a longer time period.*

(iii) Shorter presentations - Creative agenda design

Top of the suggestion list is that of “shorter presentations”. This is an ongoing suggestion that appears in all meetings and should be taken seriously. While presentations are helpful when there is the issue of translation, there are many other more creative ways to get input and involve members more interactively depending on the objective.

Recommendation: give disciplined support for people providing input through a power point presentation. People need to know what is expected of them and how the activity will take place in advance.

(iv) Informational background - Use of wiki

One suggestion by the critical friends is to provide background information about countries making presentations. Countries making presentations could provide this information in the wiki which would eventually become a resource of informational background about many countries. Coaching people to enter something in the wiki would have an additional benefit of improving people's confidence in using the tool and in taking ownership over it. Wikipages can easily be saved as PDF files for those people who have difficult access to the internet.

→ Recommendation: Assign a wiki coach to each presenter to help them create a page for their background information about their country before the event. The links to these pages would be sent out in advance.

(v) Regional conference - Intermediate activities

The suggestion of a regional conference on common IA issues for Ukraine, Moldavia, Georgia and Armenia is an ambitious one. It needs regional vision and leadership as well as substantial logistical and secretariat support. The results of the meeting also need to be integrated back into the full plenary. This is the same with all smaller group activities in between plenary meetings. Sub-group activities offer the opportunity for some groups to develop at a different pace than the others. The challenge is in weaving this work back into the larger group through reporting at plenaries, keeping a memory on the wiki, producing shareable outputs.

→ Recommendation: It could be a good idea to pilot a small regional meeting and documenting the process and lessons learned with a view to exploring how their work can benefit the whole plenary and other future regional meetings.

(vi) More time - Fewer agenda items

The critical friends suggested having more time to discuss differences between PIFC and IA which raises the issue of time in general. It would be a good idea to take on less topics and do those which are on the agenda in more depth and reaching some output or conclusion that meets the goals of the meeting.

→ Recommendation: Focus on a few achievable goals for the meeting and have topics and activities that will support the achievement of those goals.

(vii) Top management attendance - Special day

There is a suggestion that the discussions should be attended by top management. I question if it is necessary or even desirable to have them attend the whole meeting. Perhaps there could be one special day for top management which the community could host.

→ Recommendation: Dedicate specific time during the workshop to activities where it would be useful to include top management. Invite top management just for those specific activities rather than to the entire community meeting.

(viii) Updated information on developments - Ongoing reporting of activities

I think this final suggestion by the critical friends about building updates from members since the last plenary meeting could be a fruitful one and worth exploring. A cycle of producing an action plan for the forthcoming year at one meeting and reporting on progress or lessons learned at the next could become a very useful resource for community members to draw on. The reporting back need not take place in the full plenary, but could be done in regions or some other smaller grouping. It would also help provide some continuity between meetings and help develop a sense of mutual accountability.

→ *Recommendation: Build time into the agenda for members of country groups to produce a work plan at the end of the meeting and briefly report back on their progress at the next.*

5. Knowledge Brokers

At this meeting we had a leadership group for experts and visitors to the CoP who gave considerable input during the sessions. They also helped to draft a resolution to come from the meeting about the transition to IA. This resolutions

Includes:

1. Specification in the law
2. Reform of public expenditure management, budgeting/treasury
3. Reform of inspection
4. Clarification of managerial responsibility and accountability
5. Training
6. CHU development
7. Political support

This resolution is being written up by the Exec Committee and will become an output from this meeting. The role of the Knowledge Brokers at this meeting was an important one with the SIGMA guests responding to requests for information and help from members. They were flexible with the agenda changes and the lack of clarity or last minute requests for different types of input. It would be helpful to a protocol for inviting Knowledge Brokers and for setting the expectations for their participation.

Recommendation: develop a protocol for inviting Knowledge Brokers and for guiding expectations and their participation.

The Knowledge Brokers commented on two “takeaways” they had got from participating in the meeting and gave some recommendations to this community of practice. Their takeaways were:

- Moldova: budget code and legal basis for IA (Ukraine?)
- Certification needed for change of mentality

The Knowledge Borkers' recommendations for the IA community of practice were to

- Formalise the activities
- Combine its activities with those of other CoPs
- Programme basic topics (i.e. It is too early for pefromance budgeting
- Think of other methods to cooperate e.g. Work on specific topics for fewer countries, hold country-country meetings.

Final reflections and strategic recommendations

1. Developing internal leadership capabilities

My personal observations about the meeting were that the atmosphere was very good and that participants are increasingly taking more initiative in surprising and creative ways, particularly in the leadership groups. These initiatives keep the community alive. There is a small group of committed people in the Executive Committee and the community has become a place where people can bring their concerns and their care for internal auditing and internal auditors. As the community grows more active and starts more sub-groups it will become increasingly important to harness and cultivate the leadership skills of current and potential Executive Committee members and to keep looking for ways of valuing and cultivating the leadership skills within the whole community.

Recommendation: provide some coaching for members of the Executive Committee to help them in the ongoing design and co-ordination of the community of practice.

2. Reviewing the evaluation form

The formal evaluation carried out by CEF was carried out online via Survey Monkey. This survey asks for feedback about three elements of the meeting: Event Delivery, Event Administration and Overall Impressions. However, now that we have established an active leadership role of "Critical friends" at the meetings, whose feedback sometimes overlaps with what is asked in the survey, this may be a time to review how the formal evaluation and the suggestions of critical friends could dovetail and complement each other. It would be important to clarify the objective of the formal feedback questionnaire and to shape the questions in a way that reflect that objective. It is not clear from the current evaluation form if the objective of the questionnaire is to gather feedback on behalf of the community in their self-design process or if the objective is to refine a service provided by event organizers. It would be helpful to look at how the evaluation of the event could be part of a wider strategy of preparing PEMPAL members to become leaders of the event design process.

Recommendation: review the objectives of the formal feedback survey and develop questions that reflect that objective.

3. Monitoring the value of PEMPAL

We can expect that current or future sponsors of PEMPAL will expect to see some indication of the value of this community of practice. Currently the evaluation focuses on the immediate value created at face-to-face meetings. However, a strategy for monitoring the value of this community needs to include not only the value of people's participation in the face-to-face events but also the knowledge capital that is being produced by the community and which members can potentially draw on in their practice. It also needs to monitor the value created by the way in which members are applying this knowledge capital to their practice and how this is being transformed into a realised value in the form of better internal auditing in participating countries. Monitoring these different elements of value would be the start of a strategic plan for demonstrating the value and effectiveness of the community of practice.

Recommendation: start a disciplined strategy for monitoring the value of PEMPAL, including the immediate, potential, applicable and realised value.

Annex 1

Lessons learned

Reflections by Judith Hoffman and Bev Trayner, clustered and compiled by Judith

Area	Recommendations	Comments
1. Agenda design	<ol style="list-style-type: none"> 1. Start from thinking about the objectives of an activity rather than from topics; develop objectives and outputs first and then decide on the topics and experts 2. Include the facilitator right from the beginning for the design of the agenda so that she can help the content person to shape and prepare the sessions 3. Have only one topic per day to have time for discussions 4. Prioritize topics at one workshop for the next one or include question on the topics for next workshop in evaluation form (give topics and then ask people to mark their priority topics) 5. Invite "critical friends" to Executive Committee meeting 6. "Trust, but verify", decide who takes the lead for a day or a specific session in terms of making sure that the content discussion is result-oriented 7. Need of a responsible person to explain to everyone involved (e.g. knowledge brokers, external experts, newcomers) how the session should look like 8. Have interactive sessions after lunch rather than presentations 9. Members want to hear about developments in the countries and about what happened to countries since last time, i.e. ask countries to prepare some informational background about IA development (since the last seminar to the present) which shall be provided in advance. This requirement should be mentioned in the invitation letter. 10. Develop ways of sharing case studies and of offering case clinics. A more intentionally designed case clinic might give some guidelines to the case presenter and to the audience. 	
2. Content	<ol style="list-style-type: none"> 1. Be results-oriented and have a summary of main conclusion at the end of each day/ have a concluding session (assign specific people to do it, e.g. instruct social reporters to decide on a person for each session) 2. Invite Ukraine and Armenia to report back on what they have achieved since presentation of their case clinics (-> <i>plan time for it in agenda!</i>) 3. Have an expert to deliver introduction to PIFC with practical examples (terminology, concepts etc.) 4. Use the results of the questionnaires more intensively – present it and start a discussion about it (-> <i>plan time for it in agenda</i>). 	
3. Workshop Process	<ol style="list-style-type: none"> 1. Support the facilitator in steering the discussion in terms of content by giving one member the responsibility for achieving objectives/output for specific sessions or a day 2. Encourage newcomers to become more active and ask questions 3. Define roles (e.g. as "summariser", "instruction giver") for each executive committee member at the workshop (e.g. welcome, introduction, fare well + thank you at the end) 4. "Tick the box" at the end of the workshop whether objectives and output have been achieved 	
4. Knowledge brokers	<ol style="list-style-type: none"> 1. Knowledge brokers understand what the main concerns of the participants are – therefore it is good to have them there. 2. Decide how/whether to include SIGMA again the way they attended 3. Invite bilateral supporters to PIFC projects in host country (like Netherlands Advisor to Ministry of Finance) 4. Possibly: Invite World Bank staff of the host country to support the follow-up after end of workshop 	

Develop some tools/guidelines/logistics

Tools	Recommendations	Prepared by
1.	Develop a guide for delivery of presentations (e.g. to ask questions at the end, limit PPT to 5 slides etc.)	Beverly?
2.	Revise the template for the agenda (including objective, outputs, methods, contributors, topics etc.) in order not to forget the recommendations of the critical friends	Beverly? InWEnt?
3.	Certificate should reflect the leadership roles/ aspect of active membership in PEM PAL community rather than the attendance (e.g. thanking for being a critical friend and not for attending)	CEF with InWEnt or Tomislav
4.	Focus the evaluation sheet on the participation of members rather than request their judgment of the preparations others did for them	CEF+ Beverly?
5.	Develop a "charter" for IA COP (e.g. it is important to guide guests/ develop role for guests and explain what they can expect from the COP and how to "behave")	Execom members

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