

Internal Audit Community of Practice (IACOP) Plenary Meeting on Internal Audit in Transition: The Public Sector Perspective

Brussels, Belgium, October 4-5, 2022

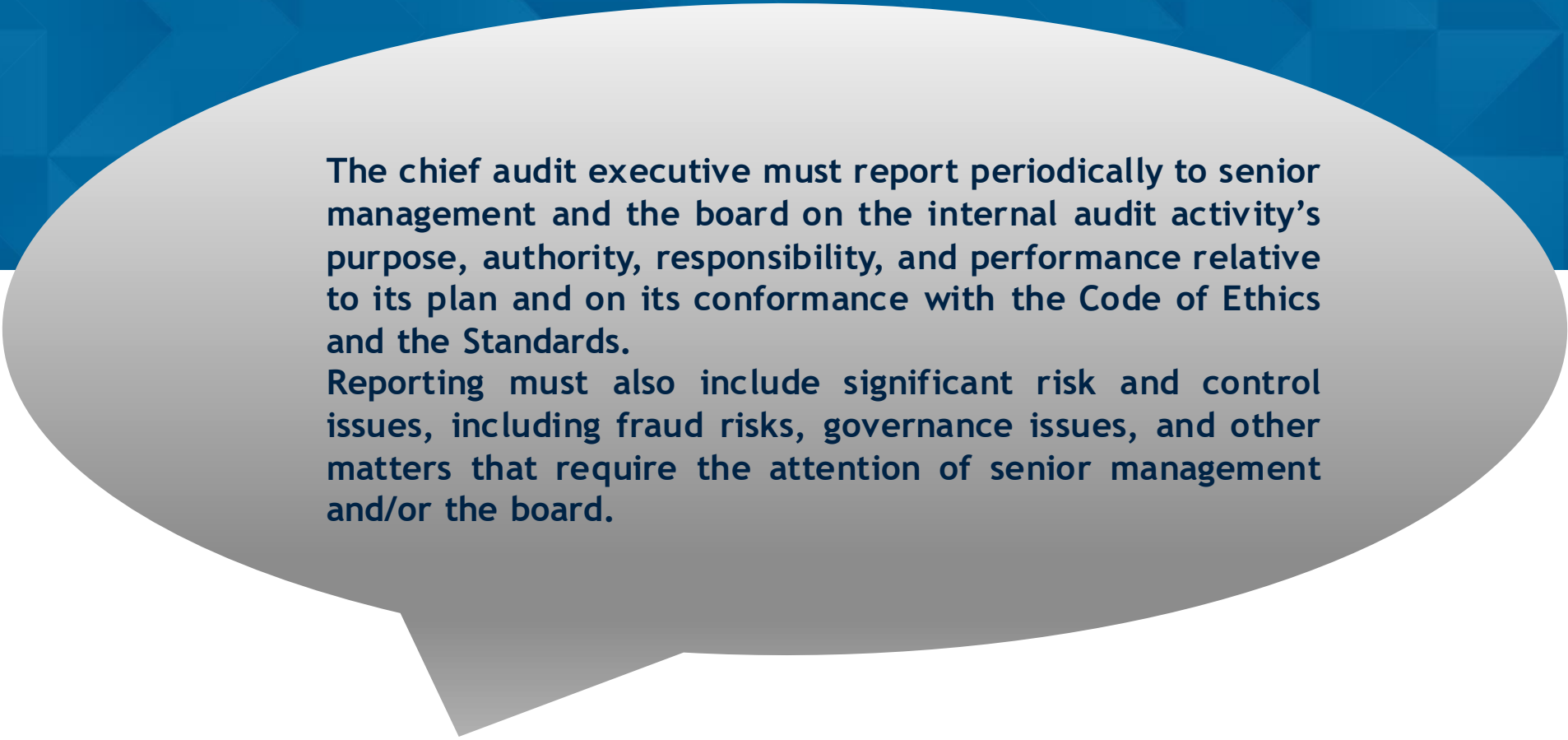
Albana Gjinopulli, Director

Directorate of Harmonization of Internal Audit

Ministry of Finance and Economy

ALBANIA

- Communication of Audit Results
 - Why do we need the IT Platform?
 - ▣ What the IT Platform is?
 - ▣ How does it work?
- Benefits of the IT Platform
 - What was the difference between two types of ?
 - ▣ What were the results?
 - ▣ Who are the beneficiaries?
- Conclusions and lessons learned ...
 - ▣ Problems faced ?
 - ▣ Road forward!



The chief audit executive must report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan and on its conformance with the Code of Ethics and the Standards.

Reporting must also include significant risk and control issues, including fraud risks, governance issues, and other matters that require the attention of senior management and/or the board.

Communication of Audit Results

Organization of Public Internal Audit in Albania



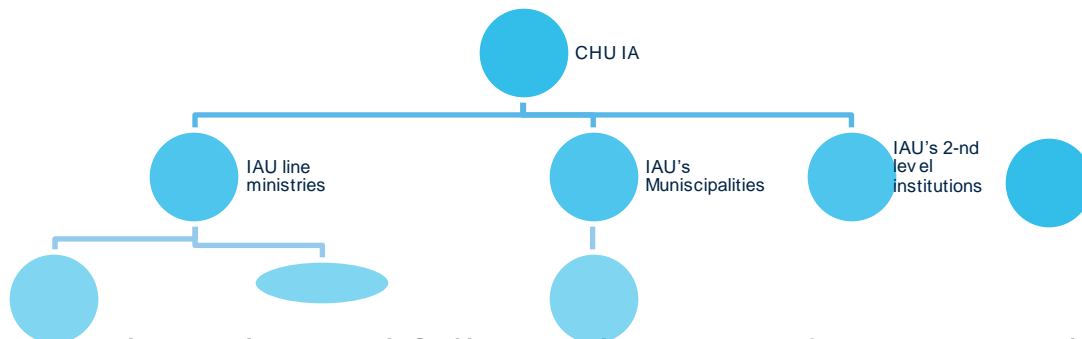
Why do we need an IT Platform for Audit Reporting

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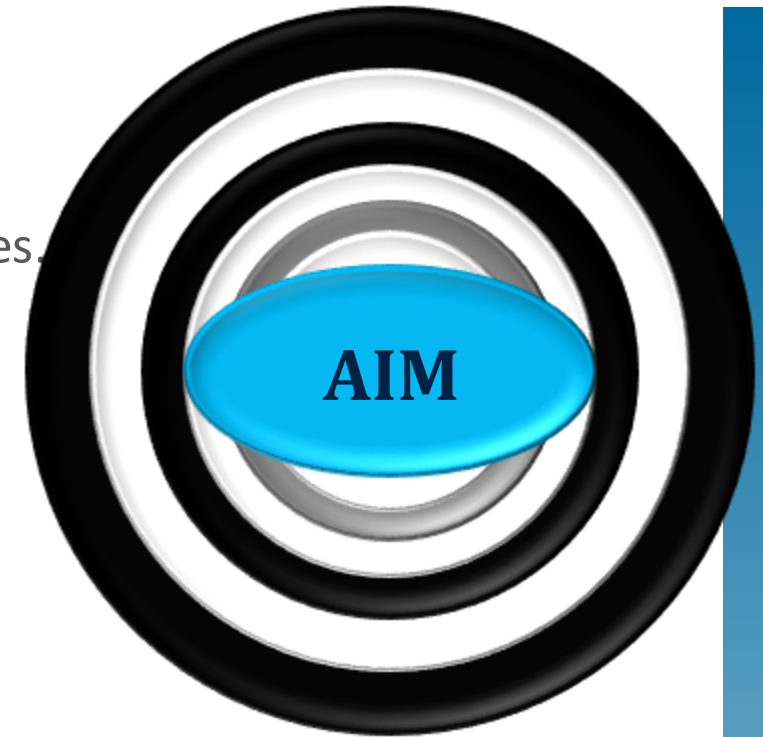
□ Purpose of the IT Platform :

□ IT platform is created to help CHU data collection and analysis processes.

□ Multi-purpose and multi-beneficiary



□ For making the tool fully work we need to create all corresponding organizations in selected country, assign users with corresponding user types and roles for management and data collection.



Introduction to the Platform

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The screenshot displays the PEMPAL dashboard in a web browser. The browser's address bar shows the URL <https://pempal.codeman.am/dashboard>. The dashboard header includes the PEMPAL logo, a 'Dashboard' title, and a user profile for 'Albana Gjinopulli' (AG) with the role 'CHU | Moderator'. A sidebar menu on the left lists navigation options: Dashboard, Organizations, Users, Report Indicators, Report Documents, Analytics Reports, and Activity Log. A 'Documentation' button is located at the bottom of the sidebar. The main content area features a grid of six tiles: 'Users' (blue circle icon), 'Invite User' (blue semi-circle icon), 'Organization Types' (yellow diamond icon), 'Organizations' (red semi-circle icon), and 'Report Indicators' (green equals sign icon). A pink L-shaped highlight is positioned over the top-left corner of the grid. On the right side, there are three notification cards: 'New 2022 consolidated form to check' (dated 4 months ago), 'New 2022 form to check' (dated 5 months ago), and 'You have a new users pending approval.' (dated 7 months ago). A 'View All ->' link is at the bottom right of the notifications.

Roles and Responsibilities of parties involved

- Organizations – represents the 135 government bodies with or without their own vertical structural hierarchy, such as:
 - ministry
 - Independent institution
 - state public enterprise
 - 2-nd level state agency
 - Municipalities
 - Hospitals, Universities and other public entities

Users of the IT platform are employees of the structural divisions of the Organization.



← - Registration request
→ - Accept/decline registration request

Roles within Internal Audit Units (IAU)

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User role – represents the user accesses in accordance with the functional authority and the vertical structural hierarchy adopted in the organization:

- ❑ Moderator - So called manager of the organization, exercising control within the framework of his authority over the operations carried out by users of the IT platform of the corresponding organizational hierarchy.
- ❑ Operator - So called worker of the organization, responsible for the formation and timely provision of data in the IT platform
- ❑ CHU IA and 5 IAUs in public entities were selected for piloting the IT Platform

Roles and Responsibilities of parties involved

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- ❑ We need to create all corresponding organizations in selected country, assign users with corresponding user types and roles for management and data collection.
- ❑ CHU moderator who is going to have the most possible permissions in the system will log in first to the system to create the first direct reporting organizational lines to CHU.
- ❑ After which Moderators of all created organizations should register to IT platform. All registration require moderation and submission by the first moderator from management.



Important to note

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- ❑ User's registration permission is granted by corresponding user type moderator. IA moderator submits the registration request of IA operator.
- ❑ CHU moderator will see all requests for registration as a matter of control, but does not have to approve.
- ❑ Every action by any user in the system will be logged for a matter of control. User's activity like filling the form with indicators, or publishing new reports with indicators will create call-to-action notifications visible in Dashboards of the corresponding user.
- ❑ Within one organization, **only one moderator** of **one user type** can be created.


Organization structures and types


Mail - Albana Gjinopulli - Outlook X PEMPAL - Organizations - Depart X +

← X https://pempal.codeman.am/dashboard/departments


PEMPAL <<


Organizations Home - Organizations


Logged in as **CHU | Moderator**  **Albana Gjinopulli** **AG**


 Dashboard


MENU


 Organizations

 Users

 Report Indicators

 Report Documents

 Analytics Reports

 Activity Log

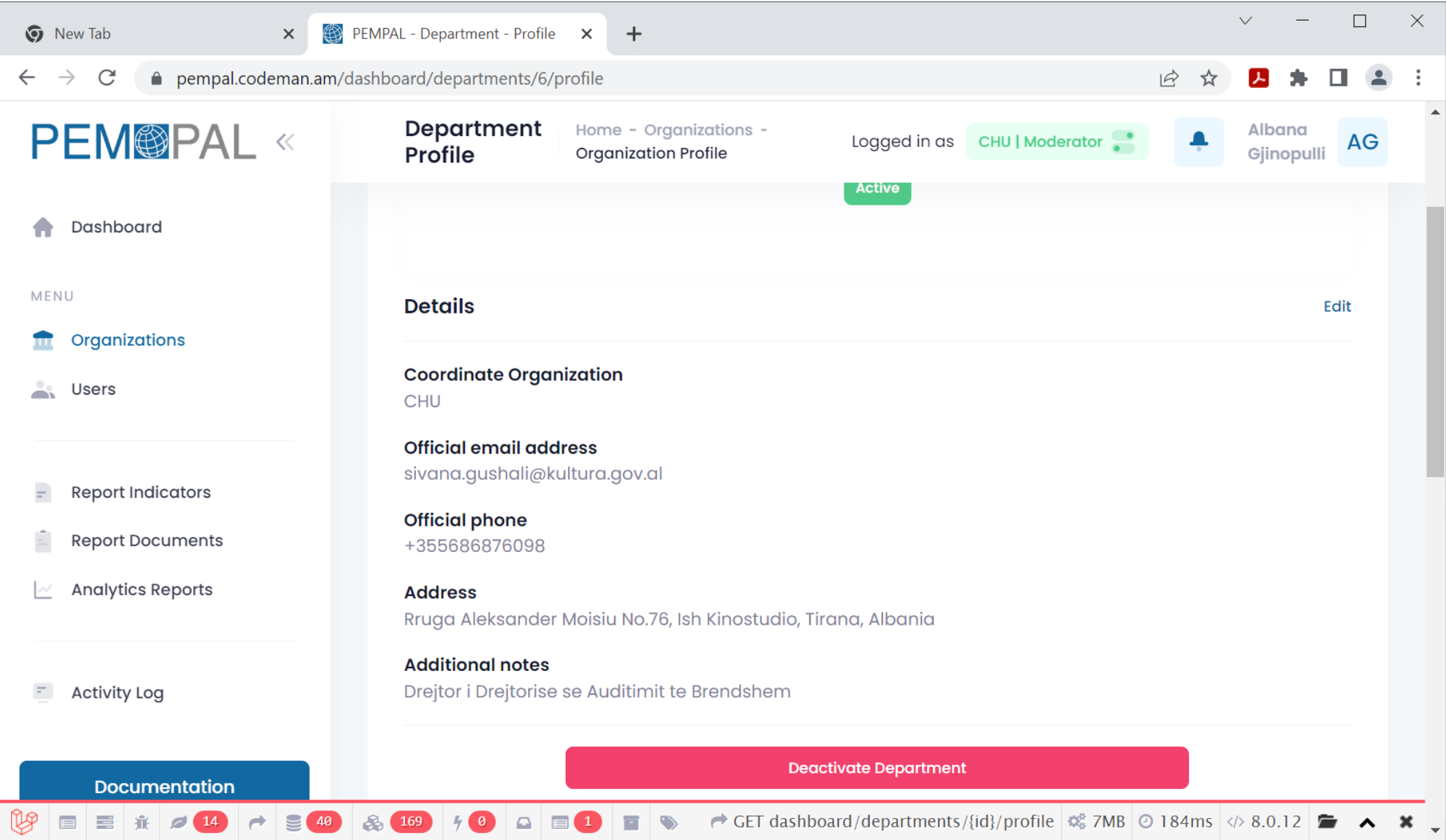
Organization Types
Exists 4 types.
[Show all types](#)

Organizations
Exists 8 organizations.
[Show all organizations](#)

[Documentation](#)

2022© Public Expenditure Management Peer Assisted Learning network (PEMPAL)

Organization profile page (screenshot)



Types of Organizations

Browser address bar: pempai.codeman.am/dashboard/department_type

PEMOPAL <<

Organization Types Home - Organization - Types

Logged in as CHU | Moderator

Albana Gjinopulli AG

Dashboard

MENU

- Organizations
- Users
- Report Indicators
- Report Documents
- Analytics Reports
- Activity Log

Organization Type	Total organizations/departments with this type	Buttons	Status
Local Government Organization	2	Edit, Delete, Active	Active
Ministry of Finance and Economy	0	Restore, Deleted	Deleted
Ministry	3	Edit, Delete, Active	Active
Agency	2	Edit, Delete, Active	Active
Public sector organization	1	Edit, Delete, Active	Active
+ Add New Type			

Create organization



Name *

Enter a name of organization

Parent Organization

CHU

Type *

Select option



Has unite separation ⓘ

☐

Address *

Total 8 items

🏠 Dashboard

MENU

🏛️ Organizations

👤 Users

📄 Report Indicators

📄 Report Documents

📈 Analytics Reports

📄 Activity Log

Has unite separation

Ministry of Agriculture and Rural Development

Ministry

Active

Members

BK

FN

Has unite separation

Universiteti Tiranes

Agency

Active

Members

Has unite separation

Bashkia e Tiranes

Local Government Organization

Active

Members

IÇ

DJ

Has unite separation

BASHKIA DURRES

Local Government Organization

Active

Has unite separation

Ministry of Culture

Ministry

Active

Has unite separation

Posta Shqiptare

Public sector organization

Active



User registration approval

Browser tabs: pempal.codeman.am - Google S... x PEMPAL - Users - List x +

Address bar: pempal.codeman.am/dashboard/users/types/list?draw=1&order%5B0%5D%5Bcolumn%5D=created_at&order%5B0%5D%5Bdir%5D=desc&sta...







PEMPAL <<

Explore all user | Home - Users - Explore


Logged in as **CHU | Moderator**  **Albana Gjinopulli** **AG** 

Dashboard

MENU

-  Organizations
-  **Users**
-  Report Indicators
-  Report Documents
-  Analytics Reports
-  Activity Log

Documentation

AZ	Amarildo.Zere@kultura.gov.al	Culture	2022 6:18:52 PM	
IÇ	Ina Çoka ina.coka@tirana.al	Active	Bashkia e Tiranës	Thursday, February 10, 2022 2:36:53 PM Actions ▾
FN	Filloreta Hasan Nikaj filloreta.nikaj@bujqesia.gov.al	Active	Ministry of Agriculture and Rural Development	Thursday, February 10, 2022 10:30:36 AM Actions ▾
IB	Ina Beqiraj inabeqiraj92@gmail.com	Active	Posta Shqiptare	Thursday, February 10, 2022 10:10:10 AM Actions ▾
BK	Brunilda Nazmi Kelo bruna.kelo@yahoo.com	Active	Ministry of Agriculture and Rural Development	Monday, February 7, 2022 4:13:27 PM Actions ▾
AP	Altin Pasko paskoaltin@yahoo.com	Active	Posta Shqiptare	Friday, February 4, 2022 12:58:01 PM Actions ▾ 

GET dashboard/users/types/list 6MB 90.25ms 8.0.12 #2 list?user_type=2&draw=1

Content of the Reports

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- ❑ Narrative and Tables of Indicators
- ❑ IA Units and staffing:
 - ❑ No. of IA Units
 - ❑ Status (Directory/Sector/Unit)
 - ❑ Auditors' Job Positions
- ❑ Internal audit Planning:
 - ❑ No. of audit engagements planned initially, according to the Types of Audits
 - ❑ No. of audit engagements completed, according to the Types of Audits
 - ❑ % of Annual Plan realized

Content of the Reports (cont'd)

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- ❑ Internal Audit Engagements and reporting :
 - ❑ Findings (No. , Category and systems/sub systems)
 - ❑ % of findings for each system
 - ❑ Trend of findings
 - ❑ Analyses over the finding according to each category of institutions;
- ❑ Audit Recommendations :
 - ❑ No of Recommendations by category and systems/subsystems
 - ❑ % of accepted of Audit Recommendations
 - ❑ % of implemented of Audit Recommendations
 - ❑ Trend of % accepted and implemented recommendations
- ❑ Audit Committees
- ❑ Professional Development of Internal Auditors
 - ❑ IA certified
 - ❑ IA trained under CPD program

Ohhhh...we have to report



Creating indicators and reporting

- ❑ CHU moderator is the only user who has permission to create, edit or publish the indicators for further use by other users.
- ❑ CHU moderator creates indicators based on the defined types/units.
 - ❑ Internal control type
 - ❑ Internal audit type
 - ❑ CHU type

New Tab

PEMPAL - Users - Types

←

→

↻

🔒

pempal.codeman.am/dashboard/users

🔗

☆

📄

⚙️

🖨️

👤

⋮

PEMPAL

⏪

Dashboard

MENU

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Dashboard

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Organizations

👤

Users

📄

Report Indicators

📋

Report Documents

📊

Analytics Reports

📅

Activity Log

Documentation

User types

Home - Users - Types

Logged in as

CHU | Moderator

🔔

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IA

Exists 12 users.

Show all IA users

CHU

Exists 7 users.

Show all CHU users

Deactivated

Exists 1 users.

Show all

🔗 GET dashboard/users

⚙️ 7MB

🕒 114ms

🔍 8.0.12

📁

⬆️

✖️

No	Indicator	Criterion	Total
1.1	Number of internal auditors	1.1.1. Regular/Planned staffing level of internal auditors:	number
		1.1.2. Actual staffing level of internal auditors	number
		1.1.3. IAU is organized at level of	number
		1.1.3.1 IA units established as Directory	number
		1.1.3.2. IA units established as Sector	number
		1.1.3.3. IA units established as Unit (less than 3 internal auditors)	number
		1.1.4. Changes in IA staffing levels:	x
		1.1.4.1 new IA staff hired	number
		1.1.4.2. IA staff fired/moved out	number
1.2	Information on organizational and functional autonomy of the IA unit	1.2.1. IA unit reports directly to the head of the organization	Yes/no
		1.2.2. IA unit performed functions and tasks unrelated to the internal audit organization and execution	x
1.3	Auditees	1.3.1. Number of auditees	number
	Internal Auditors	1.4.1 Names of IA	x

2.2

IA execution

2.2.1. Internal audits executed, of which:	number
2.2.1.1. scheduled audits, of which:	number
2.2.1.2. scheduled audits, of which $(2.2.1.1 \times 100 / 2.1.1) \%$	% vs. scheduled number
2.2.1.1.1. compliance audits	number man-days
2.2.1.1.2. compliance audits $(2.2.1.1.1 \times 100 / 2.1.1.1) \%$	% vs. scheduled number
2.2.1.1.3. financial audits	number man-days
2.2.1.1.4. financial audits $(2.2.1.1.3 \times 100 / 2.1.1.2) \%$	% vs. scheduled number
2.2.1.1.5. performance audits	number
2.2.1.1.6. performance audits $(2.2.1.1.5 \times 100 / 2.1.1.3) \%$	% vs. scheduled number
2.2.1.1.7. IT audits	number
2.2.1.1.8. IT audits $(2.2.1.1.7 \times 100 / 2.1.1.4) \%$	% vs. scheduled number
2.2.1.1.9. Mixed audits	
2.2.1.1.9. Mixed audits $(2.2.1.1.9 \times 100 / 2.1.1.5) \%$	
2.2.1.2. Unscheduled audits/ Audits upon the request of HoE	number

Full indicator list (example)

MENU

Documentation

Manage Annual Report on IA performance and activity report indicators

Annual Report on IA performance and activity

<input type="radio"/> Institutional aspects of the Internal Audit activity		without answer	<input type="checkbox"/>		
<input type="radio"/> Organization of internal audit service		without answer	<input type="checkbox"/>		
<input type="radio"/> Internal Audit Directory	Enum	with answer	<input checked="" type="checkbox"/>		
<input type="radio"/> Internal Audit Sector	Enum	with answer	<input checked="" type="checkbox"/>		
<input type="radio"/> Internal Audit Function	Enum	with answer	<input checked="" type="checkbox"/>		
<input type="radio"/> Internal Audit Staffing		without answer	<input type="checkbox"/>		
<input type="radio"/> Regular/Planned number of Internal Auditors	Number	with answer	<input checked="" type="checkbox"/>		

PEMPAL <<

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Documentation

Reports

Home - Report Documents

Logged in as **CHU | Moderator** 🔴🟢

🔔

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10 ▾

RAW ID	FORM NAME	FORM TYPE	PUBLISH TYPE	FOR YEAR	ACT
#1	Annual Report on IA performance and activity	IA	Every year	2021	Actions ▾
#2	IA form	IA	Every month	2022	Actions ▾
#3	IA form	IA	Every quarter	2022	Actions ▾
#4	IA form	IA	Every half year	2022	Actions ▾
#5	IA form	IA	Every year	2022	Actions ▾

Showing 1 to 5 of 5 records

< 1 >

PEMPAL

⏪

🏠 Dashboard

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📅 Activity Log

Documentation

Explore Report Details

Home - Ready to move up - # 8

Logged in as

CHU | Moderator

🔔

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2021

Every year

2022

No	Indicator	Criterion	Data
Section 1. Institutional aspects of the Internal Audit activity			
1.1	Organization of internal audit service	1.1.1 Internal Audit Directory	<div>Yes</div> <div>Rejection Comment</div>
		1.1.2 Internal Audit Sector	<div>No</div> <div>Rejection Comment</div>
		1.1.3 Internal Audit Function	<div>No</div> <div>Rejection Comment</div>
1.2	Internal Audit Staffing	1.2.1 Regular/Planned number of Internal Auditors	<div>9</div> <div>Rejection Comment</div>
		1.2.2 Current number of internal	<div>7</div>

Publishing indicators for reporting

- ❑ When indicator form is created, CHU moderator should change the status from Actions -> edit details, from pending to “completed”
- ❑ After this action CHU moderator can enter to https://pempal.codeman.am/report-documents#published_forms report documents section and publish the report for operators to fill in.
- ❑ **Report form Name** – CHU moderator should pick which form is necessary to publish.
- ❑ **Publish type** – CHU moderator picks the publish type out of the defined ones
 - ❑ **Every month** – in this case this form will be available every next month after the reporting month
 - ❑ **Every quarter** – in this case published form will be available to fill every next month after the reporting quarter.
 - ❑ **Every half-year** – in this case published form will be available to fill every next month after the reporting half-year.
 - ❑ **Every year** – in this case published form will be available to fill every next month after the reporting year.
- ❑ **Deadline dates count** – CHU moderators indicate the days count during which operator should fill the form.
- ❑ **Reminder every x days before deadline** – On the defined days, the system will send reminder notification.
- ❑ **Year** – CHU moderator picks the year for which forms are published.

Consolidation

PEMOPAL

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Logged in as

CHU | Moderator

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Published forms 5

Submitted Reports

Ready Move up

Submitted / Rejected reports

Search form

Generate Consolidation

Filter

10

USER	ORGANIZATION	YEAR	PUBLISH TYPE	MONTH
Arsen Test	Developers Ministry	2021	Every year	2022
Delina Jasini	Bashkia e Tiranes	2021	Every year	2022
Altin Pasko	Posta Shqiptare	2021	Every year	2022

Comparative advantages

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- ❑ Deadline for reporting IA Units past due
 - ❑ Reports are delivered after the deadline
- ❑ Time consuming
 - ❑ From 15 February till May
- ❑ Reasonable assurance;
 - ❑ Errors may occur
- ❑ Moderate accuracy;



- ✱ Reporting on time
 - ✱ The platform reminds you about the deadline
- ✱ Saving time
 - ✱ On 15 of February all the data are consolidated for 135 IAU.
- ✱ Data are consolidated accurately and correct
 - ✱ (no math. Errors)
- ✱ Tracking information is possible
 - ✱ Both by CHU and Head of IAU
- ✱ Quality Control is assured all over of the reporting process


Comparative advantages

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- ❑ Not enough time for analyses ;
 - ❑ Difficult to generalize;
 - ❑ Time due for addressing the audit recommendations
 - ❑ QUALITY of the Annual Report ??????
 - ❑ Stakeholders with many questions and skeptical about the Annual Reports of the 135 IA Units
 - ❑ SAI auditors not satisfied, number of recommendations
- ✱ Enough time to perform analyses. On 15 of February all the data are consolidated for 135 IAU.
 - ✱ Indicators are designed based on the needs for analyses. Data are consolidated accurately and correct
 - ✱ Early information . Timing of the reports.
 - ✱ Quality Assurance of the data in the reports is assured
 - ✱ Better /High quality of the Annual Report based on root analyses
 - ✱ All stakeholders happy with the information provided

Challenges

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- 
1. New practice... resistance
 2. Infrastructure ...computers and programs not appropriate
 3. Training of staff involved
 4. Designing of the indicators More time needed
 5. Communication between parties involved

Road forward.....

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- ❑ IT Platform is a MUST
- ❑ High Quality of Reports
- ❑ Cost effective
- ❑ Multi-beneficial
- ❑ Improves quality of people



Better
communication

Higher audit
impact



THANK YOU!
