

**RESOLUTION OF 7TH PEM PAL INTERNAL AUDIT COMMUNITY OF PRACTICE PLENARY WORKSHOP
Yalta, Ukraine; May 26-28, 2010**

Resolution adopted on May 28, 2010 by the delegations of Ukraine, Republic of Moldova, Romania, Croatia, Bosnia & Herzegovina, Serbia, Albania, Russian Federation, Belarus, Georgia, Armenia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkey, Macedonia.

CONSIDERING:

The need for solutions to common problems our countries are facing, in particular those related to transition to internal audit;
The objectives of the PEM PAL program; and

RECOGNIZING:

The professionalism and practical experience of the participants;
The consultancy and inputs provided by experts, who were present at the workshop ;
The responsibility for a well managed transition process;

WE RESOLVED THAT:

1. Specification in the law should facilitate the transition to internal audit,
2. Transition to internal audit should be part of public expenditure management reform.
3. Reform of inspection should be started in parallel with implementation of internal audit.
4. Clarification of managerial accountability and responsibility is needed for implementation of internal audit.
5. Training program should be set up for internal audit specialists.
6. Central harmonization unit (CHU) development is necessary; CHU should take the lead in managing the transition process to internal audit .
7. Political support is crucial for managing successful transition to internal audit.