

SUCCESS STORIES

Moldova

Strengthening the Internal Audit Function

Context

Strengthening public financial management, internal control systems, and the internal audit function has been a key priority for Moldova. These efforts align with international commitments, including European Union accession requirements, as well as the strategic guidance provided by institutions such as the World Bank and the International Monetary Fund.

Despite significant progress, Moldova faced challenges in developing a modern, risk-based internal audit function that meets global standards. Key obstacles included capacity building, the implementation of risk-based audit planning, and the harmonization of national practices with international ones. In addition, the introduction of new internal audit norms and a structured internal audit manual required technical expertise and involvement related to best practices from peer countries.

PEMPAL Impact

Moldova has actively engaged with PEMPAL's Internal Audit Community of Practice (IACOP), leveraging peer learning, expert consultations, and practical case studies to strengthen its internal audit framework.

As acknowledged by Petru Babuci, Deputy Head of the Moldovan Public Internal Financial Control Policy Division at the Ministry of Finance and confirmed by other Ministry representatives through their contributions to IACOP surveys, their participation in PEMPAL events from 2017 to 2024 provided valuable insights and knowledge. They applied PEMPAL learning to enhance Moldova's national internal audit regulations and improve the internal audit function at both the national and local levels.

The country has benefited from:

- The adoption of PEMPAL's Risk Assessment in Audit Planning Guide, which helped improve methodologies for risk-based strategic audit planning.



- Involvement with developing the PEMPAL Digital Platform for Public Internal Control tool and manual and Guidance on Internal Audit Monitoring and Reporting that helped in the design of Moldova's National Platform for Online Reporting of Internal Control and Internal Audit.
- Study visits and community exchanges, which provided insights into practices applied by other PEMPAL member countries.
- The use of PEMPAL knowledge products, which supported the refinement of internal audit procedures and policy development.
- Participation in training and capacity building initiatives, which facilitated the professionalization of Moldova's public sector internal auditors.
- Access to global expertise and knowledge that provided a deeper understanding of the new Global Internal Audit Standards and their implications for national internal audit methods in the public sector.

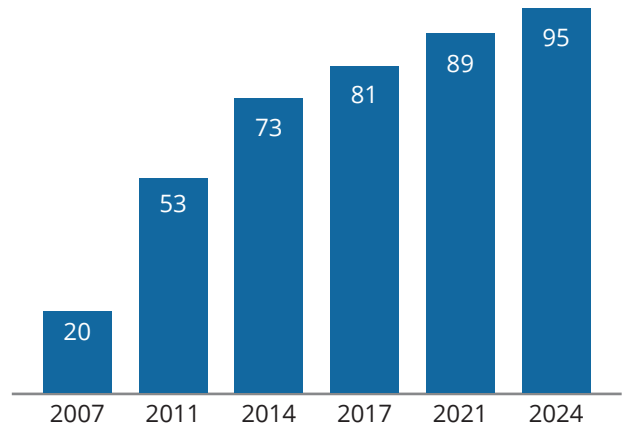
Through active engagement with PEMPAL IACOP, Moldova has achieved tangible progress in strengthening its internal audit function:

- Risk-based audit approaches have been enhanced, leading to a more efficient, transparent, and effective public sector internal audit profession.
- An effective Reporting and Monitoring Online Tool for Internal Audit and Internal Control is in place.
- Capacity building initiatives have resulted in a better trained internal audit workforce, improving the overall efficiency of the internal audit function.
- Moldova's Internal Audit Manual has been modernized and is in alignment with global good practices, which has increased the standardization and quality of internal audits across public institutions.

- Improved methodologies have enabled internal auditors to support stronger public financial management and accountability.

PEMPAL regularly surveys its members on the impact derived from taking part in its Internal Audit Community of Practice. The results, shown in the figure below, illustrate the improvements and significant impact indicated by Moldova:

Figure. Moldova - Significant impact



Source: IACOP impact periodical survey

Next Steps

Moldova remains committed to continuous improvement in internal auditing, leveraging PEMPAL expertise and the network to further align its practices with global standards and modern public financial management reforms. It aims to continue to build on its progress by:

- Further developing continuous professional development programs for internal auditors to ensure ongoing capacity building.
- Enhancing the digitalization of internal audit processes, incorporating data analytics and automated risk assessment tools.
- Strengthening peer exchanges and technical support to ensure full alignment with Global Internal Audit Standards and evolving European Union accession requirements.
- Expanding cooperation with other PEMPAL member countries to improve audit methodologies and share implementation challenges.



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