



Dynamic and Value-added Internal Audit Service

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Federal Ministry of Education, Science and Research, Austria
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Topics

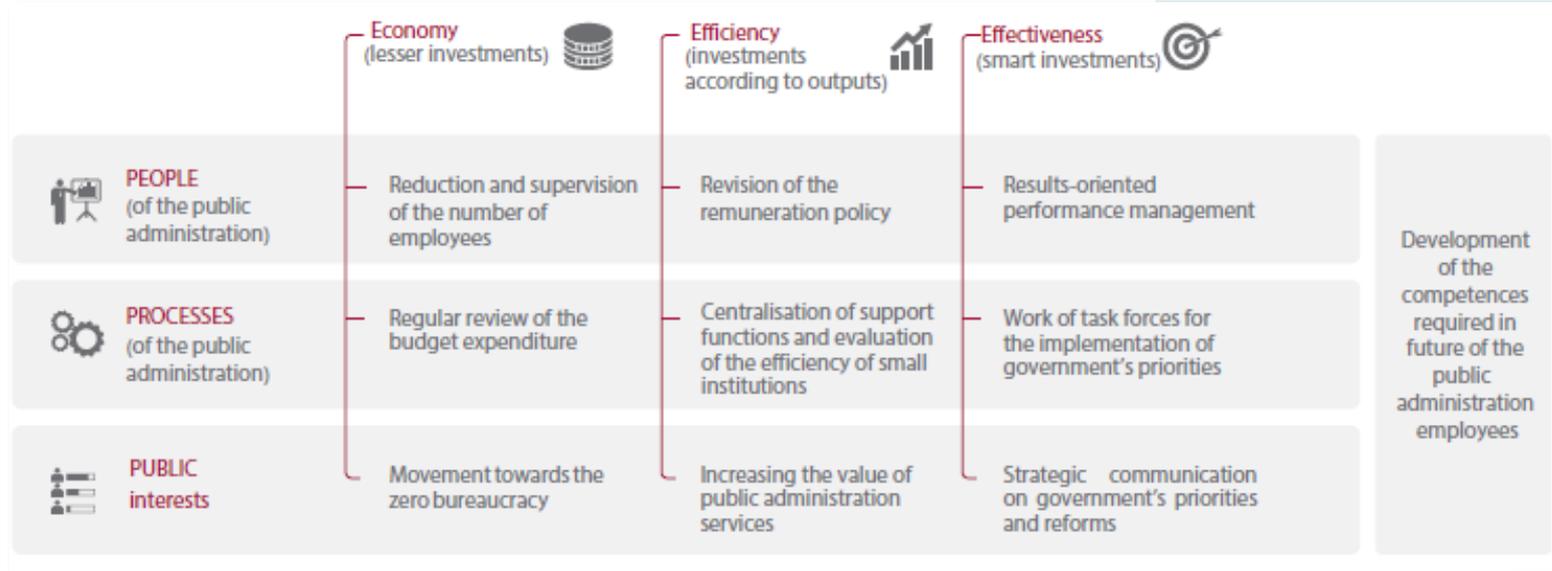
- Dynamics and linkages
- Audit Universe
- Balanced Scorecard of Internal Audit



Dynamics and linkages

Latvian Public Administration Reform Plan for 2020

- 10 directions

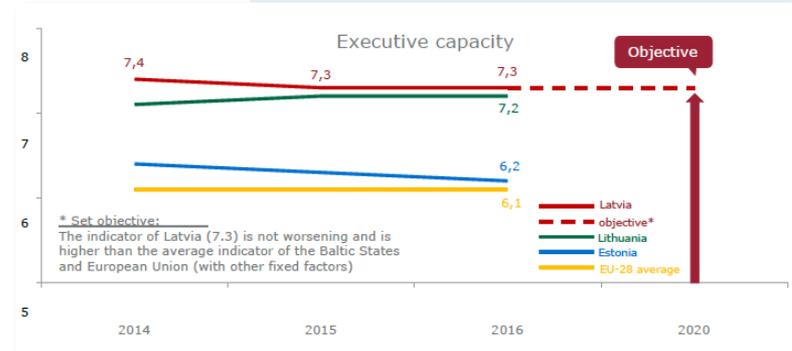
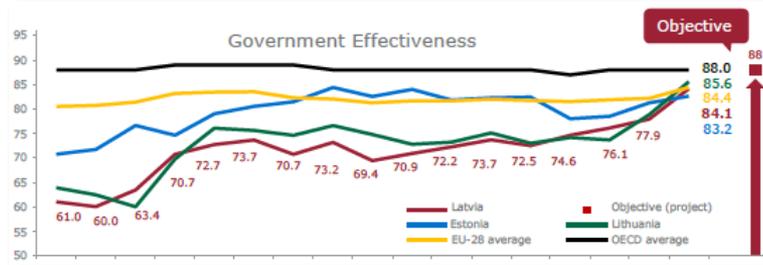


(Source: Public Administration Reform Plan for 2020)

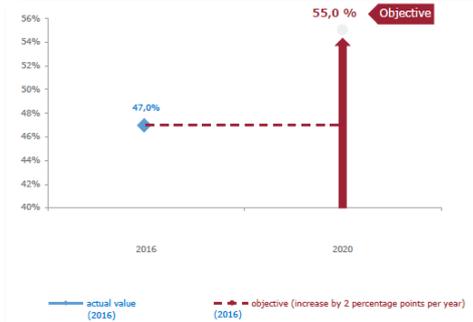


Latvian Public Administration Reform Plan for 2020

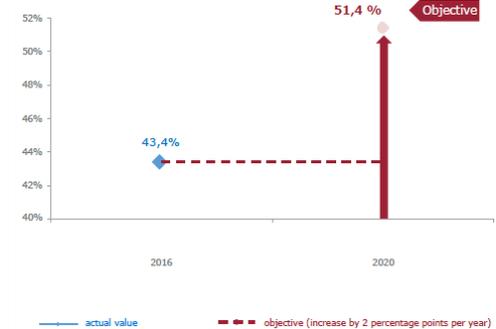
Some goals



Share of the citizens who believe that the public administration is fulfilling its obligations in good faith



Share of the citizens who state that the services are being improved and simplified



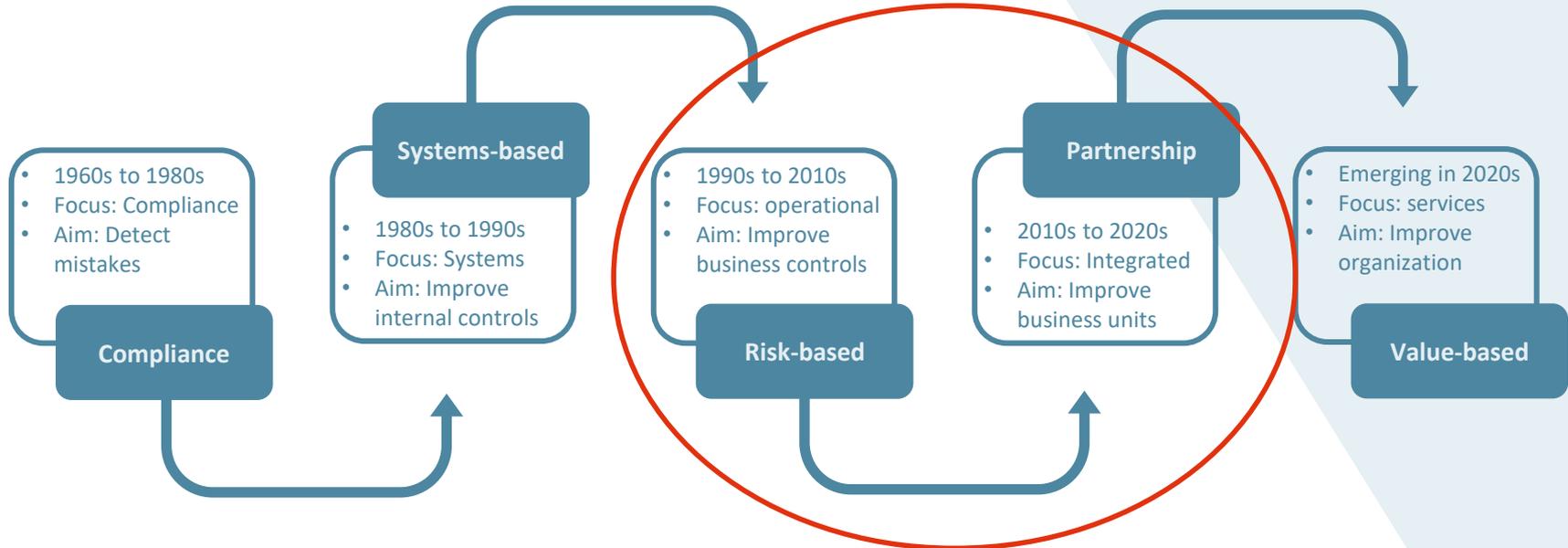
Latvian Public Administration

- “... one of the goals of growth and improvement is to modernize public administration, namely to develop open, transparent, responsible, digitally developed and efficient public administration, which, by applying innovative methods of policy planning and regulation development and making smart, evidence-based decisions, will move towards the achievement of the country's sustainable development goals, including improving the lives of Latvians by providing appropriate, high-quality, accessible and efficient services.”

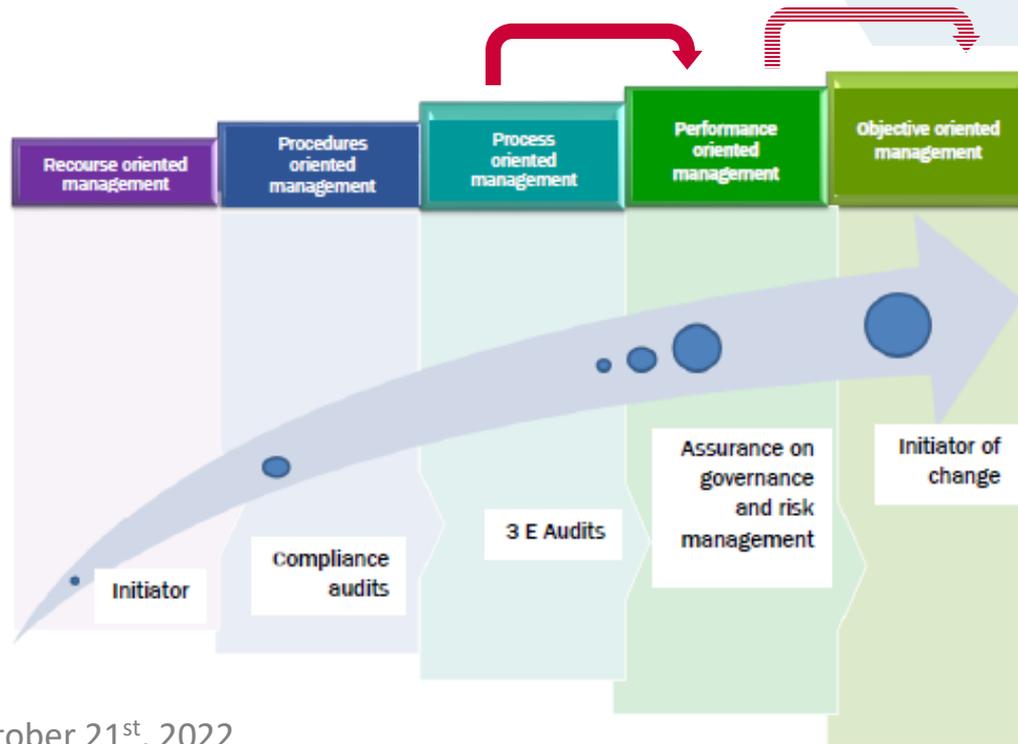
(Source: Latvian Public Administration Internal Audit System Development Strategy 2022-2026 - DRAFT)



Internal Audit seen from scientific community



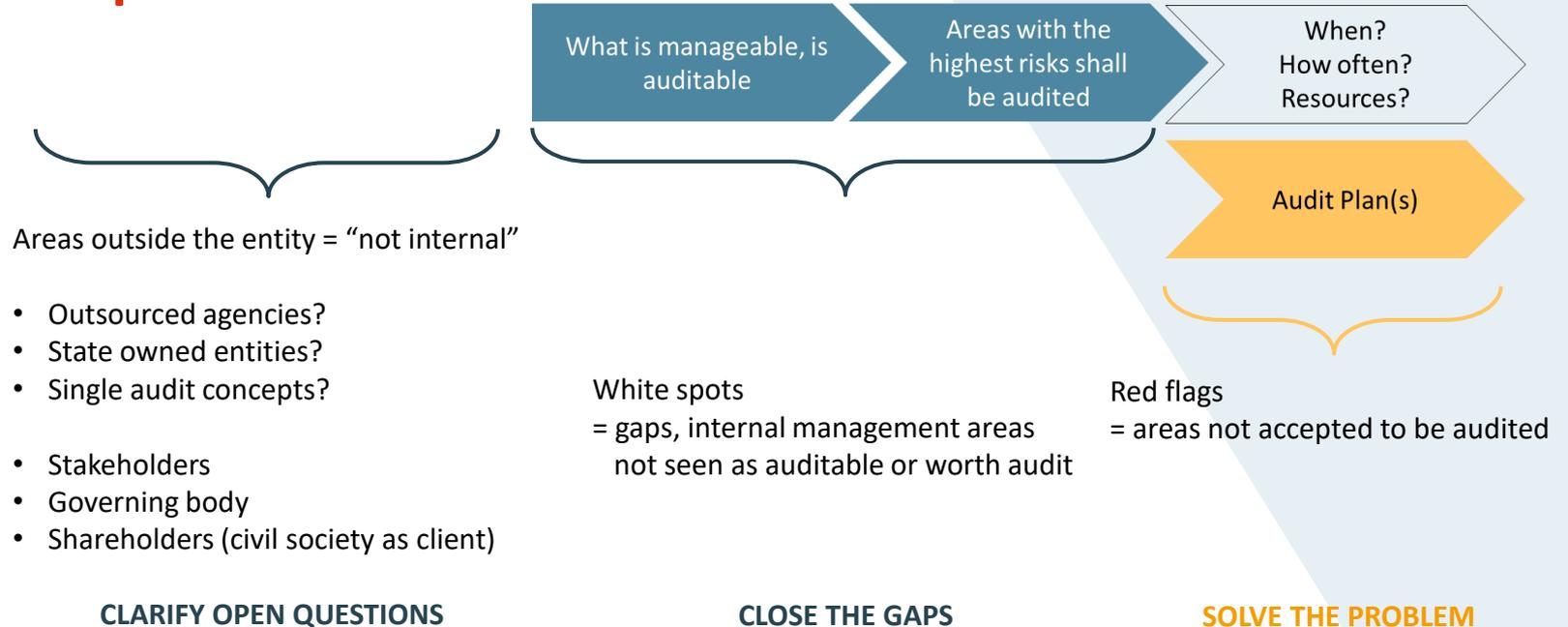
The contemporary role of internal auditing is reflected in its definition, mission and principles contained in the 'International Professional Practices Framework' (IPPF).



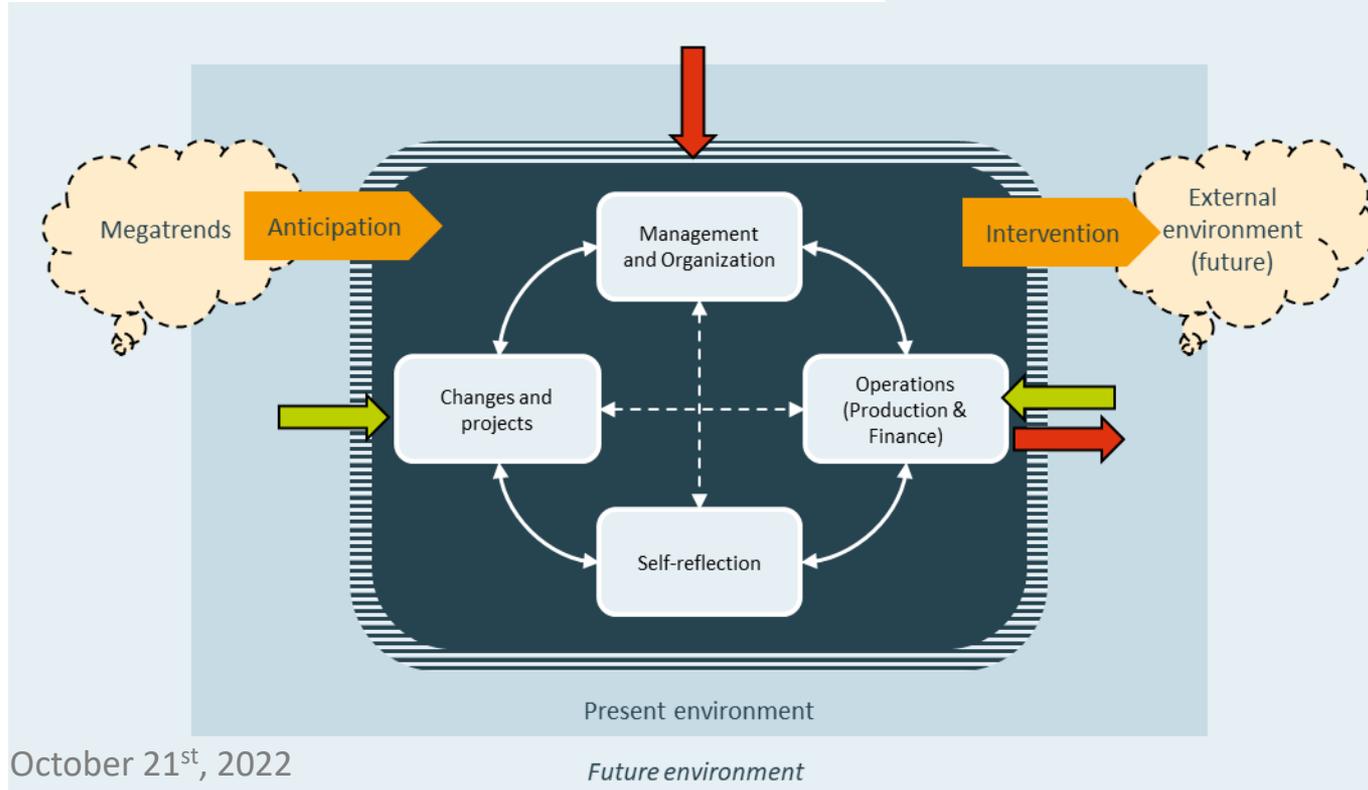


Audit Universe

Off audit plan

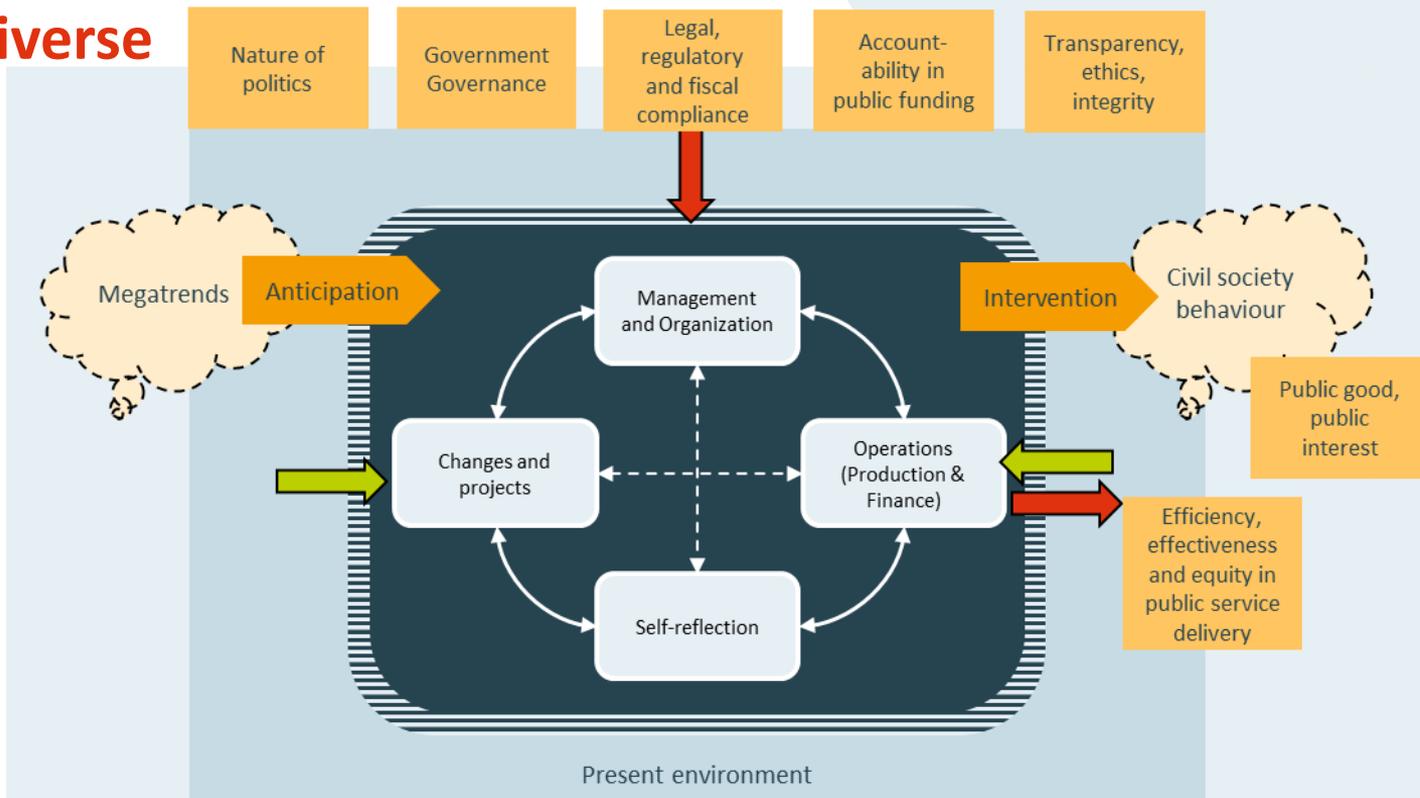


Audit universe





Audit universe



Audit Universe (inside public entity)

- Management and Organisation: [mission, vision] strategy and structure;
 - What does the organisation want?
- Operations (production and finance): operational business
 - What does the organisation actually do?
- Self reflexion: in principle 2nd line role (ICS, RiskM, QualityM, ComplianceM, ...)
 - How well does the organisation know itself?
- Changes and projects: targeted change, including investments, projects, (project)portfolio management, organisational development, HR development, ...
 - How well does the organisation implement changes?

Audit Universe (environment)

- External Environment: incoming and outgoing interactions
 - What is the influence of external rules and actions to the organisation?
 - How is the external environment served by organisation?
- Megatrends: important mid-term and long-term influencing factors
 - How will megatrends affect the awareness and basic orientation of the organisation?
 - How will the organisation contribute to initiate or support a further development of society?

Audit Universe (Advantages)

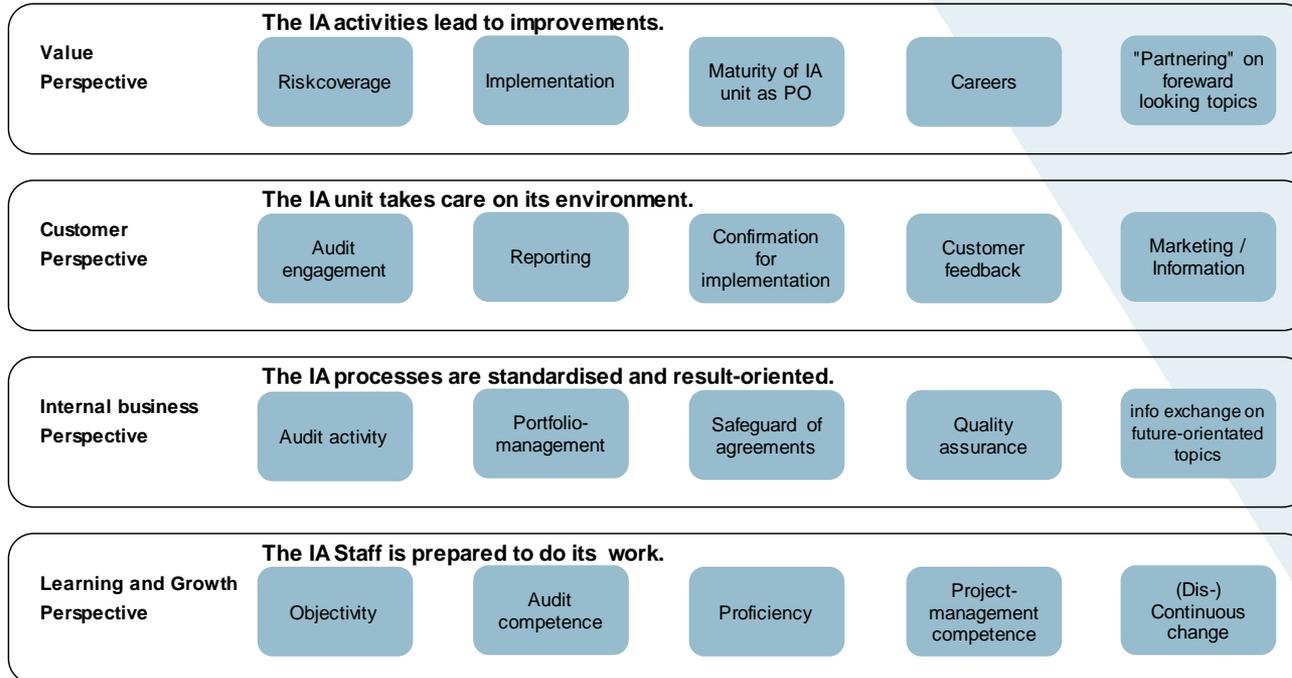
- It helps keeping in mind the following organisational aspects:
 - Internal functions of the organisation
 - Context with the environment
 - Nature of organisation (static / dynamic)
 - Time (presence /short-, mid-, long-term forecast)
 - Change (targeted / “by chance”)
 - Compliance (as is / as should)
 - Focus / “zoom function” (comprehensive / detail)



Balanced Scorecard of IAS



BSC perspectives in Austrian MoF



Learning and growth

Objectivity : to be objective at every audit

Audit competence : audit techniques, skills

Proficiency : to know the culture, the goals and the work of the entity very well,
to speak with the managers at eye level

Project management competence : (to be able to run project audits),
to run an audit as a team according to (basic) project rules.

(Dis-)Continuos change : to be aware of the evolutionary and revolutionary
steps of the own administration and its environment

Internal business (processes)

Audit activity : to run an audit from the very first steps to the audit report

Portfolio management : to handle the fulfilment of the annual plan, special missions included

Safeguard of covenants : to monitor and report the covenants

Quality assurance : to assess the quality of audits continuously, annually and every 4 to 5 years.

Info exchange on future oriented topics: to stay in contact with the top managers (to receive strategic decisions without delay, to participate at high ranking management meetings and at steering committees of important projects)

Customers

Audit engagement : to fix the goals and non-goals clearly with the customer

Reporting : to report concise to the principal, the responsible top managers, the auditees and all the others involved according to their needs

Confirmation for implementation : to keep the managers moving for high performing public services

Customer feedback : to react according the received feedback on the value added, the quality of work etc..

Marketing / information: to forward information about the high quality, the good performance, etc of the IAS wherever appropriate

Value

Risk coverage : to contribute to the risk awareness and risk orientation of the public entity

Implementation : to motivate managers to implement the recommendations and the covenants

Maturity of IA unit as PO : to improve teamwork and project oriented work

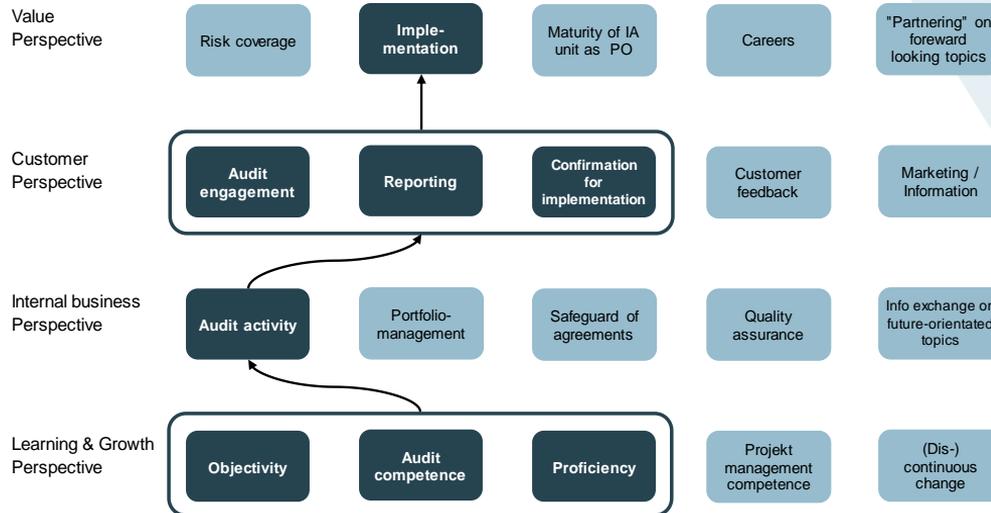
Careers : to introduce auditors as eligible experts and /or managers

Partnering : to support the administration in its evolution (by auditing selected future oriented issues or very new processes / organisations)



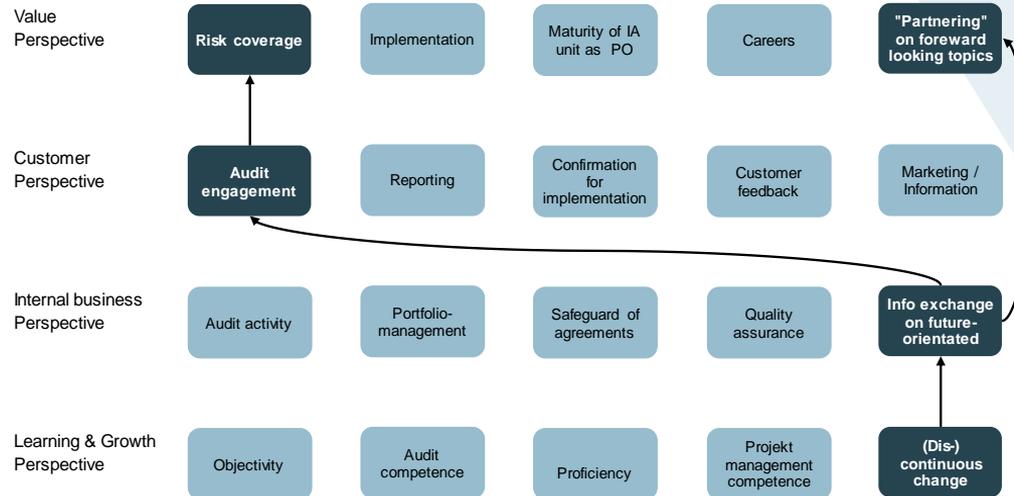
Strategic objective: value added

The IAS creates value added for its entity.



Strategic objective: organizational fit for future

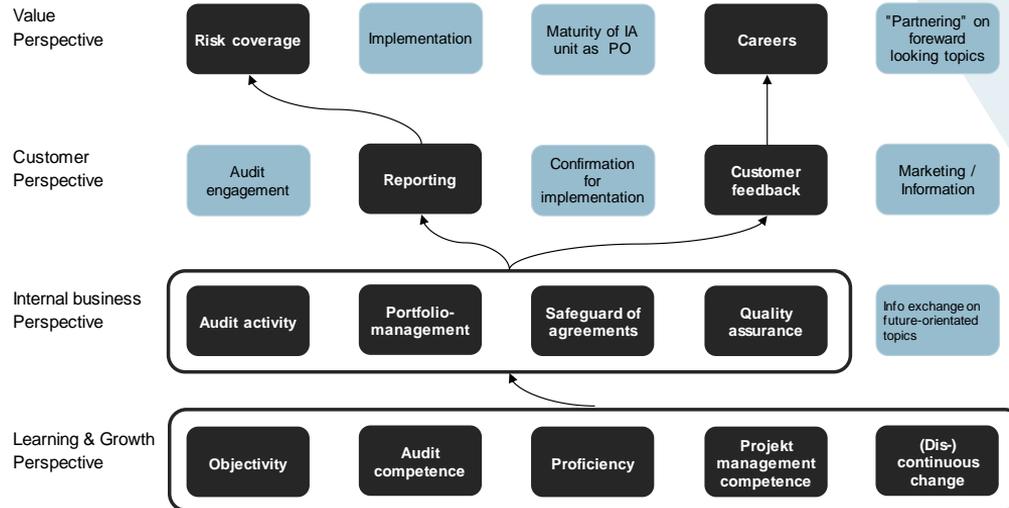
The IAS cooperates with the management for the entity's organizational fit for future.





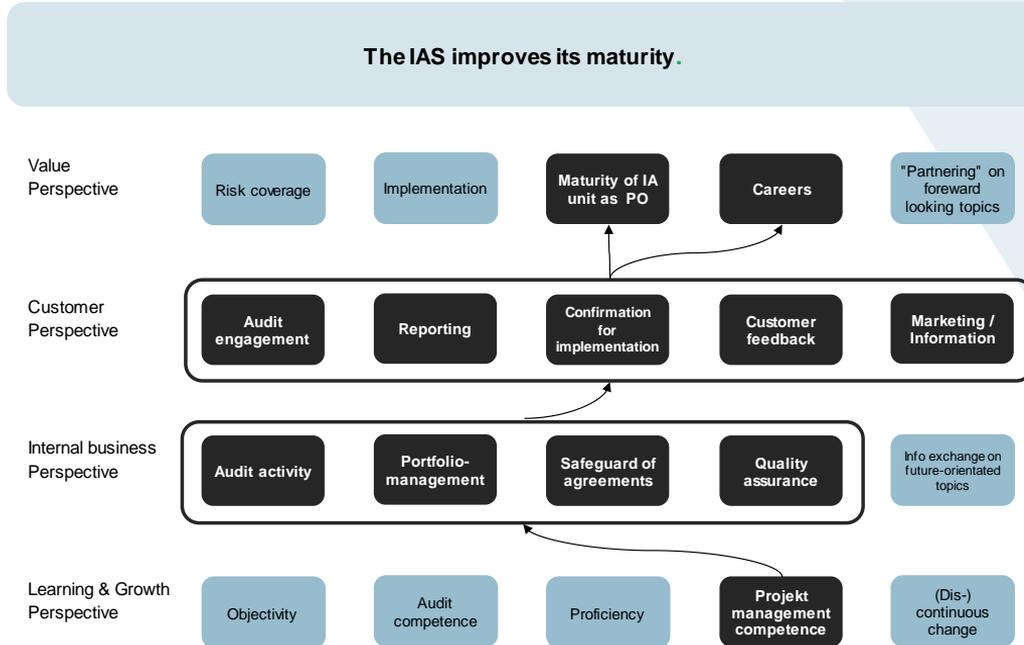
Strategic objective: quality of IAD

The IAS is well known for its quality of work.





Strategic objective: quality of IAD





Result

- The further development of the internal audit systems fits quite good the Latvian Public Administration Reform
- The audit universe covers the management and performance of entities
- The strategy of Internal Audit Services is based on a Balanced Scorecard.



QUESTIONS or COMMENTS ?

Thank you for your attention
and co-operation!

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