



Marrakech – Morocco

“Internal Audit and Control in the Public Sector”

Seminar

2nd Workshop: Internal Audit Organization

The 2nd workshop focused on internal audit organization; it was chaired by Mr. Galy SARR, Director of Public Sector Accounting in Senegal and the rapporteur was Mr. Hichem Bdiri, Deputy Director at the General Treasury of Tunisia.

Having introduced the topic, Mr. Galy SARR asked then for the opinions of workshop attendees. Following debates, it came out that it was necessary to establish a methodology for the implementation of internal audit organization. This should articulate around two guiding lines:

- Internal audit stakeholders;
- Organization implementation.

I. Internal audit stakeholders

According to workshop participants, there are three main categories of stakeholders: auditors, beneficiaries and the audited (entity).

Participants agreed on two recruitment approaches for auditors:

- Recruitment from the pool of treasury employees on condition they should then also be properly trained in audit matters;
- Recruitment of auditors that already hold degrees and certificates in auditing and who are trained in treasury matters.

With respect to beneficiaries, i.e. those who order the audit missions, the workshop asserted their role in defining the audit's objectives and establishing its scope.

Participants also underlined the key role of the audited in the relation developed with the auditors.

Auditor's ethics were also dealt with. Participants agreed on the necessity for ethical criteria in the selection of auditors, their moral commitment with respect to the oath taken, the respect of ethical values and of rules specific for the profession.

A legal framework for the profession would enhance the auditors' commitment to the profession's values.

Training issues were also tackled and participants settled on the following leads:

- a diploma course tailored for Treasury services;
- continuous training for Treasury employees;

- training of trainers on audit and control topics.

II. Audit organization

Discussions on what the organization should be focused on:

- Audit structures' organization;
- Participants in audit committees;
- Audit's scope.

Suggestions were made with respect to hierarchical and functional links of audit structures. Thus, the workshop recommends that from an administrative point of view, the audit unit should report to the top manager of the entity and, from a structural point of view, it should report to the audit committee.

It was also recommended:

- to adopt flexible audit structures in order not to hinder the Treasury services;
- audit structures to be complimentary with control and inspection structures, avoiding overlapping;
- to implement central supported units with local representation at de-concentrated level;
- audit structures to share their efforts with other control structures so as to make optimum use of control bodies' findings;
- To implement a follow-up system for the recommendations formulated by the audit mission.

With respect the audit committee, it was considered that this is not an operational committee. Its mission is:

- to implement strategies;
- to schedule activities;
- to validate audit tools and techniques;
- to take decisions resulting from the implementation of audit missions' recommendations
- to monitor and assess action plans.

There is no ideal member structure in an audit committee. However, it is recommended to set up committees with permanent and non-permanent members, some entitled to vote, some in advisory capacity.

A guideline however is to integrate people with different training backgrounds in audit committees.

Workshop participants considered that the audit scope should integrate audit related contents and implementation issues.

In other words, the audit scope comprises organizations and professions suitable for a structure as defined by laws and regulations.