



Greece-OECD Project: Technical  
Support on Anti-Corruption

# **Training Programme on Internal Audit – Manual for Trainers**



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### **About the Greece-OECD Project**

The Greek government is prioritising the fight against corruption and bribery and, with the assistance of the European institutions, is committed to taking immediate action. Under the responsibility of the General Secretariat Against Corruption, Greece's National Anti-Corruption Action Plan (NACAP) identifies key areas of reform and provides for a detailed action plan towards strengthening integrity and fighting corruption and bribery. The OECD, together with Greece and the European Commission, has developed support activities for implementing the NACAP. This project is scheduled for completion in 2018 and is co-funded by the European Commission and Greece. For further information, please see [the project webpage](#).



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Methodology of preparation of the material for the Training Programme:

The Training Package includes the following components: a) Training Strategy, b) Trainers' Manual, c) Preparatory letter for the trainees, and d) Trainees' Workbook. These were drafted according to the relevant terms of reference and the five key deliverables-tools developed in the framework of the cooperation between GSAC and OECD on internal audit. The following officials/experts from organisations of the public and the broader public sector were actively involved (participation in focus groups, submission of written observations and proposals for improving the material etc.) in reviewing and commenting the drafts.

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## Introduction

The Greek Government has as its main priority to strengthen integrity and accountability as key pillars in the fight against corruption. Under the responsibility of the General Secretariat Against Corruption (GSAC), the Greek National Action Plan for Combating Corruption (NACAP) identifies key areas in need of reform and provides a detailed action plan with the aim of strengthening prevention, deterrence, detection and repression of corruption

The OECD in cooperation with Greek government implemented jointly with the General Secretariat Against Corruption (GSAC), from September 2016 to January 2018, a Project of Technical Support for Combating Corruption, with the support of the European Commission. The objective of this project is to enhance integrity, transparency and accountability in the public sector, through the implementation of the National Action Plan for Combating Corruption in Greece.

The first of the ten components of the project contains concrete initiatives for the modernisation of the internal audit function within the Greek administration, providing practical tools to support the creation of a modern and efficient internal audit function and the application of standard audit procedures in all public institutions. Under those actions, have developed the following tools:

- a) Technical Report: Mapping and Gap Analysis
- b) Terms of Reference: Electronic Platform for Corruption Control, Risk Assessment and Planning of Audits
- c) Roadmap for Implementation: Three-year initiative to modernise and strengthen the Internal Audit in the Greek Public Administration
- d) Internal Audit Manual
- e) Core Control Audit Programme
- f) Training Programme on Internal Audit

The Training Programme aims at providing public officials with knowledge on internal audit, whether they are already working in the Internal Audit Units, or is likely to work in the future. Moreover, the programmes is also intended for public officials working in support and operational organisational units and are interested in better understanding the main features and the added value of the internal audit in the effectiveness of the daily operations of public organisations. The objective of this programme is to build the foundations of a sustainable training exercise providing the trainees with a holistic overview of the knowledge and the capacities that an internal auditor has to possess executing the relevant tasks.

This “Training manual for the Trainers” consists of four (4) chapters, of which the first two present the main features and objectives of the programme, the third section describes briefly the content and educational objectives of the eleven (11) modules that are elaborated in the relevant slides which are the backbone of the five-days programme and which constitute the fourth chapter.

The trainees will also receive the full set of the above mentioned five documents/tools before the start of the education programme to better prepare and familiarise themselves with the thematic modules of the programme.

## Chapter 1. Basic elements for adult education

The training course is in formal adult education, in the broader field of lifelong education and learning from the mid-1990s. Training activities fit into this approach help understanding of social and cultural change and in adapting to changing circumstances of the knowledge society, as well as the training of those working in the sector, in terms of their personal life and the democratisation of society. The term refers in any educational process involving adults, both in terms of general knowledge as well as professionally. This terminology also implies that the training is not completed at any stage of life and that education for adults can effectively start during the period of initial training and, for some people, continue in areas after compulsory education.

The educational approach to be followed will be:

1. focus and emphasis
  - ✓ in the experiential education and interaction
  - ✓ the management of any defence mechanisms and resistance to change, so that the trainee to share new methodologies and techniques of control, but also to redefine existing knowledge and to make the best use of the range of experience and skills
2. 'invest' group and people and encourage learners to "invest" to themselves, while fostering critical thinking, collaboration and communication
3. based on modern audit techniques and methodologies with a view to streamlining procedures, improving the quality and value creation.

In the light of the above in the context of the training programme, the following steps shall be performed for the educational process:

- A. Provision of training material to rapporteurs and trainees on the basis of the material drawn up within the framework of the OECD programme: Technical Assistance for the Fight against Corruption in Greece
- B. Organisation of training seminars 5ήμερων 40 hours are structured as follows:



- ✓ At the opening meeting the rapporteur will devote time to respond to queries as to the nature and operation of the programme.
- ✓ The proposed aytoparoyásiā trainer and trainees, each introduced himself, with the main emphasis on occupational and educational pathways.
- ✓ In the context of the seminar are different teaching tools:
  - transparencies
  - Written texts
  - Oral Explanation
  - Use of graphs, images and tables
  - Unleashing the potential of technology
- ✓ Finally the main instructional techniques to promote active participation, as Debate, 10 practical examples (case studies with collective participation for understanding of the theory), Q & A session around the topics of theory, but also regarding the askíseis-melétes case which will be developed.

## Chapter 2. General for the training programme

### 2.1 The purpose of the training programme

The purpose of this training programme shall be:

1. To provide basic, scientifically sound and modern Internal Audit) as both a conceptual and practical application, so that the trainees can carry out a full audit cycle from the programming of the control plan for the Secretariat-General, until the drafting of the final report, building on existing skills and experiences and by concentrating on improving quality.
2. To help participants to become aware of and apply the “International Standards for the Professional Practice of Internal Auditing (Implementation of the Standards for the Professional Practice of Internal Auditing (IPPF) in the full audit cycle and proágei-anavathmísei occupation of the Internal Auditor in the Public Sector
3. To develop communication, cooperation and critical thinking of participants

The training programme is aimed solely at the public sector.

## 2.2 Structure programme modules

The seminar shall consist of eleven (11) modules developed during the duration of five (5) days of a total duration of forty (40) hours:

1. Overview training programme
2. Introduction to internal control
3. The concept of independence of internal audit
4. An effective internal audit function.
5. The Rules of Procedure (Statute) of the Internal Audit
6. Developing an audit plan based on risk assessment Action
7. Control valves
8. Planning an audit mission
9. An internal audit mission
10. Drawing up the internal audit report
11. The role of the internal audit function in the assessment of risks of fraud and corruption

## Summary overview of thematic subject matters and schedule of the training programme:

ΕΠΙΣΚΟΠΗΣΗ ΕΚΠΑΙΔΕΥΤΙΚΟΥ ΠΡΟΓΡΑΜΜΑΤΟΣ ΓΙΑ ΤΟΝ ΕΣΩΤΕΡΙΚΟ ΕΛΕΓΧΟ				
Ημέρα 1η	Ημέρα 2η	Ημέρα 3η	Ημέρα 4η	Ημέρα 5η
Αναπτύσσοντας μια αποτελεσματική Λειτουργία Εσωτερικού Ελέγχου		Αναλαμβάνοντας μια Αποστολή Εσωτερικού Ελέγχου		
<p><b>1. Εισαγωγή στο Πρόγραμμα</b></p> <ul style="list-style-type: none"> <li>• Στόχοι</li> <li>• Ενότητες</li> <li>• Μεθοδολογική προσέγγιση</li> </ul> <p><b>2. Εισαγωγή στον Εσωτερικό Έλεγχο (ΕΕ)</b></p> <p>2.1. Διαχωρισμός Συστήματος ΕΕ και λειτουργίας ΕΕ</p> <p>2.2. Ορισμός, αποστολή και στόχοι λειτουργίας ΕΕ</p> <p>2.3. Ο ΕΕ σε σχέση με τις Επιθεωρήσεις-Έρευνες &amp; τους Εγκληματολογικούς Ελέγχους (Forensic Audits)</p> <p><b>3. Προσδιορίζοντας την ανεξαρτησία του ΕΕ και τη σχέση με τα Διοικητικά στελέχη και τους Πολιτικούς Αξιωματούχους</b></p> <p><b>4. Αναπτύσσοντας μια Αποτελεσματική Λειτουργία Εσωτερικού Ελέγχου</b></p> <p>4.1. Ο Ρόλος του Επικεφαλής Εσωτερικού Ελέγχου και των στελεχών μιας Μ.Ε.Ε.</p> <p>4.2. Πρακτικά βήματα για την εγκαθίδρυση της λειτουργίας ΕΕ</p> <p>4.3. Επιτροπή Ελέγχου: Αποστολή και δραστηριότητες</p> <p>4.4. Έλεγχος ποιότητας λειτουργίας Εσωτερικού Ελέγχου</p>	<p><b>5. Ο Ρόλος του Κανονισμού Λειτουργίας του Εσωτερικού Ελέγχου</b></p> <p><u>Ομαδική Άσκηση Α:</u> Αναπτύσσοντας έναν Κανονισμό Λειτουργίας Εσωτερικού Ελέγχου</p> <p><b>6. Αναπτύσσοντας ένα Πρόγραμμα Ελεγκτικής Δράσης Βάσει Αξιολόγησης Κινδύνων</b></p> <p>6.1. Διαδικασία αξιολόγησης κινδύνων</p> <p>6.2. Επισκόπηση βημάτων και εργαλείων</p> <p>6.3. Ανάπτυξη προγράμματος ΕΔ βάσει αξιολόγησης κινδύνων</p> <p>6.4. Διαδικασία έγκρισης &amp; επικ/νίας του προγράμματος ΕΔ</p> <p><u>Ομαδική Άσκηση Β:</u> Προσδιορίζοντας το Περιβάλλον Ελέγχου</p> <p><u>Ομαδική Άσκηση Γ:</u> Διενέργεια μίας άσκησης Αξιολόγησης Κινδύνου σε επίπεδο Υπουργείου και ανάπτυξη ενός Προγράμματος ΕΔ βάσει αξιολόγησης κινδύνου</p> <p><b>7. Δικλίδες Εσωτερικού Ελέγχου</b></p> <p>7.1. Ορισμός &amp; Ανάπτυξη Δικλίδων ΕΕ</p> <p>7.2. Ο ρόλος του Εσωτερικού Ελεγκτή στο Σύστημα Εσωτερικού Ελέγχου (Μοντέλο 3LoD)</p> <p><u>Ομαδική Άσκηση Δ:</u> Αναπτύσσοντας δικλίδες εσωτερικού ελέγχου</p>	<p><b>8. Σχεδιάζοντας μία αποστολή Εσωτερικού Ελέγχου</b></p> <p>8.1. Επισκόπηση των βημάτων της διαδικασίας προγραμματισμού</p> <p>8.2. Αξιολόγηση κινδύνων στο πλαίσιο της ελεγκτικής αποστολής</p> <p>8.3. Στόχοι, κριτήρια και μεθοδολογίες μιας αποστολής ΕΕ</p> <p>8.4. Πλαίσιο Αναφοράς μιας αποστολής ΕΕ</p> <p><u>Ομαδική Άσκηση Ε:</u> Πραγματοποιώντας μια άσκηση Αξιολόγησης Κινδύνου στο πλαίσιο του προγραμματισμού μιας αποστολής ΕΕ</p> <p><u>Ομαδική Άσκηση ΣΤ:</u> Αναπτύσσοντας το πρόγραμμα, τα κριτήρια και τις μεθοδολογίες μιας αποστολής ΕΕ</p>	<p><b>9. Διενεργώντας μια Αποστολή Εσωτερικού Ελέγχου</b></p> <p>9.1. Επισκόπηση βημάτων στη φάση διενέργειας μιας αποστολής ΕΕ</p> <p>9.2. Εφαρμόζοντας μεθοδολογίες και κριτήρια εσωτερικού ελέγχου</p> <p>9.3. Τα φύλλα εργασίας του εσωτερικού ελεγκτή</p> <p><u>Ομαδική Άσκηση Ζ:</u> Ανάλυση ευρημάτων &amp; δεδομένων και ανάπτυξη συμπερασμάτων ελέγχου</p>	<p><b>10. Έκθεση Εσωτερικού Ελέγχου</b></p> <p>10.1. Επισκόπηση βημάτων στη φάση σύνταξης μιας έκθεσης ελέγχου</p> <p>10.2. Τα απαραίτητα στοιχεία μιας ολοκληρωμένης έκθεσης ελέγχου</p> <p>10.3. Παρακολούθηση υλοποίησης ενεργειών για τη συμμόρφωση με τις συστάσεις μιας έκθεσης ελέγχου</p> <p><u>Ομαδική Άσκηση Η:</u> Ανάπτυξη περιγράμματος έκθεσης ελέγχου</p> <p><u>Ομαδική Άσκηση Θ:</u> Ανάπτυξη Συστάσεων/Προτάσεων έκθεσης ελέγχου</p> <p><u>Ομαδική Άσκηση Ι:</u> Επισκόπηση σχεδίου δράσης της Διοίκησης της ελεγχόμενης οντότητας για την υλοποίηση των συστάσεων/προτάσεων της έκθεσης ελέγχου</p> <p><b>11. Ο ρόλος του εσωτερικού ελέγχου στην αξιολόγηση κινδύνων απάτης και στην αντιμετώπιση φαινομένων διαφθοράς</b></p>

## Chapter 3. Breakdown of individual modules of the training programme

### MODULE 1: Overview training programme

### MODULE 2: Introduction to internal control

The purpose of this section is the trainees acquire the basic theoretical knowledge in the area of internal control.

The unit consists of three (3) subsections, which are presented as follows:

#### 2.1 Separation between the Internal Control System (ICS) and operation (EU)

##### 2.1.1 What will learn through the teaching sub-module # 2.1

The sub-module # 2.1 is to understand the relationship between the Internal Control System and Internal Audit and the distinctive features and their objectives.

##### 2.1.2 In you will find the slides

The material of specified slides from Section 3.1 of the Technical Report Analysis Disputes, analysing the concepts and characteristics of the Internal Control System (internal control system and Internal Control (internal audit) with the aim to better understand the relationship between them, and their position in the context of the functioning of the agencies of the Greek public administration.

#### 2.2 Appointment, mission and objectives of an internal audit function

##### 2.2.1 What will learn through the teaching sub-module # 2.2

The sub-module # 2.2 is introductory training of trainees' theoretical issues relating to the mission and role to play within the internal audit of a public body as well as the main objectives of this feature.

Objectives of the module are:

1. To understand the trainees through the relevant terminology what encompasses the term internal audit.

2. To understand the relevant terminology trainees through the work it has to carry out internal audit.

### ***2.2.2 In you will find the slides***

The material of specified slides from Sections 1.3-1.4 of the control manual and Section 3.2 of the Technical Report Analysis Disputes. The approach is structured around the official definition of Internal Control set out in the International Standards for the Professional Practice of Internal Audit, which provides that “Internal Audit is an independent and objective, διαβεβαιωτική and advisory activity designed to add value and improve the operations of an Agency. The Agency helps to achieve the objectives of the, taking a systematic, professional approach to assessing and improving the effectiveness of the risk management processes, internal audit systems and Corporate Governance”.

## **2.3 The Egklīmatologikoí-Diereynītikoi checks forensic audit with regard to the Internal Audit and the Epiteōrīseis-Éreyneis**

### ***2.3.1 What will learn through the teaching sub-module # 2.3***

The sub-module # 2.3 is to understand the trainees the characteristics of different types of audit bodies and activities and, in particular, the differences of the activity of Internal Audit with inspections and investigations carried out by the Inspection and law enforcement authorities (FIU, SDOE, etc.).

Objectives of the module are:

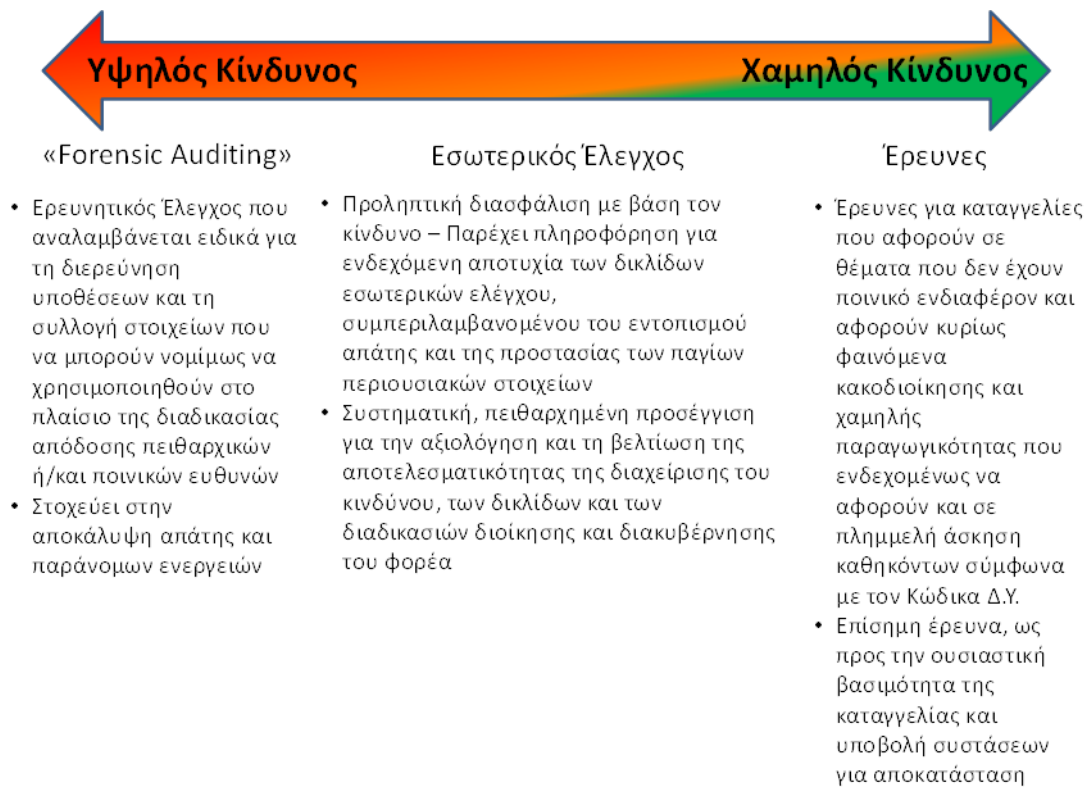
1. To know the trainees, the main features of the control and supervision of the Greek public administration.
2. To understand better how trainees can be attributed to the Greek administration “forensic audit” and what the relationship with the internal audit and investigations.

### ***2.3.2 In you will find the slides***

The material of specified slides from Sections 2.1-2.4 of the technical report, which presents the key drivers and control activities and supervision of the Greek administration. From the review of the units and charts, can understand the specificities and differences among actors

and control activities (depending on whether internal or external audit, the degree of independence from the executive, depending on the level of risk faced by these activities)

Concerning the relationship with Forensic Audit, Internal Audit and Investigations the following diagram summarises the definitions and thus the possible relations between them.



### **MODULE 3: The concept of independence of internal audit and the relationship with the Heads and senior staff of public bodies, including political officials**

The purpose of this section is to understand the content of the trainees, the characteristics and the necessity of the concept of independence of internal audit.

The module consists of two sub-modules (2), which are as follows:

#### **3.1 The content of the independence and objectivity of the internal audit**

##### ***3.1.1 What will learn through the teaching sub-module # 3.1***

The sub-module # 3.1 is the trainees to understand the importance of independence and objectivity of the internal audit and relations with the Head of the auditors, and senior management of an organisation including both political office-holders and service managers, in particular heads of organisational units. It will also discuss the proper location of the M.E.E. in the establishment plan in connection with the mission and its rules of procedure.

Objectives of the module are:

1. To understand the trainees through the International Standards for the Professional Practice of Internal Auditing the importance of independence and objectivity of the internal audit.
2. To understand the trainees the optimal location of internal control in the organisation chart of a ministry.

##### ***3.1.2 In you will find the slides***

The material of specified slides from sections 2.4 of the control manual and 3.4.3 of the technical report, dealing with these issues. In accordance with the International Standards for the Professional Practice of Internal Auditing states that ‘The internal audit activity must be independent and internal auditors must be objective in performing their tasks and the independence means the exemption conditions under threat posed by the auditors to perform internal auditing function impartially’.



### **3.2 The position of the internal audit function in the organisation chart of a Ministry**

#### ***3.2.1 What will learn through the teaching sub-module # 3.2***

The trainees will discuss issues surrounding relations with the political and administrative leadership of the service. The position of M.E.E organigram and its relationship with other units.

Objectives of the module are:

1. To understand the trainees through the International Standards for the Professional Practice of Internal Auditing the importance of independence and objectivity of the internal audit.
2. To understand the trainees the optimal location of internal control in the organisation chart of a ministry.

#### ***3.2.2 In you will find the slides***

The material of specified slides from section 2.4 of the control manual analysing issues relating to the structure and relations of internal control within a public body.

## **MODULE 4: An effective internal audit function.**

The purpose of this section is the trainees to understand the steps needed for the development of an internal audit function and characteristics which should govern the organisation and operation of efficient within the Greek public administration.

The unit consists of four (4) subsections, which are presented as follows:

### **4.1 Roles and necessary skills/competencies of the Head of Internal Audit (Head M.E.E.) and other strains of M.E.E**

#### **4.1.1 What will learn through the teaching sub-module # 4.1**

The sub-module is the training of trainers to understand its mission leader and a M.E.E. and to record the necessary skills required to perform effectively their tasks.

Objectives of the module are:

1. To understand the trainees based on international best practices and the role of Head of Internal Audit and to those of other strains of M.E.E..
2. To review together with the rapporteur standard kathikontológio suggested by the OECD and understand skills which must have the head of internal audit, but other members of the MEE.

#### **4.1.2 In you will find the slides**

The material of specified slides from section 2.2 and Tool # 2/Περιγραφή Control job duties, included in the Audit Manual, containing detailed information and specific tools on the design of skill needs and in particular personnel management issues in the context of the development of an internal audit function.

### **4.2 The necessary steps for the introduction of the Audit**

#### **4.2.1 What will learn through the teaching sub-module # 4.2**

The purpose of sub-section is the trainees to learn about the steps required for the effective establishment of internal audit function in a public organisation.

Objectives of the module are:

- 1). to understand the trainees with the cooperation of the instructor the importance of 21 steps described in detail in the audit manual.
- 2 to discuss what steps have been taken so far to the agencies involved and the challenges for their implementation.

#### ***4.2.2 In you will find the slides***

The material of specified slides from the section II of the control manual, showing the six main components of an internal audit function and the individual 21 Steps required for establishing the.

Encouraged the rapporteur to discuss with participants of the steps already taken to bodies are employed and the challenges they face.

### **4.3 The Role of the Committee on at the level of the Ministry**

#### ***4.3.1 What will learn through the teaching sub-module # 4.3***

The purpose of the trainees sub-section is to understand the role and value added generated by the activity of the Committees and their importance for the effective operation of internal control.

Objectives of the module are:

- 1). to understand the trainees the role of audit committees at a theoretical level originally.
- 2). to consider the proposal for the creation of the Ministry (EVS), an institution, which has to date not implemented and the practical difficulties of the project within the Greek Administration

#### ***4.3.2 In you will find the slides***

The material of specified slides from section 2.4 and Tool # 4/Ενδεικτικό Control Information Leaflet, explaining the contribution of the Audit Committee to the independence of the internal audit function and the proposed composition of such committees within the Greek public administration.

#### **4.4 The Quality control of the internal audit function.**

##### ***4.4.1 What will learn through the teaching sub-module # 4.4***

The purpose of the trainees sub-section is to understand the benefits resulting from the development of a programme of periodic assessment and improvement of the quality of the internal audit function.

Objectives of the module are:

- 1 trainees to acquire knowledge of the international standards that specify the features of a programme monitoring and quality assessment.
- 2). to understand the content and requirements of a similar programme.

##### ***4.4.2 In you will find the slides***

The material of specified slides from section 2.3 of the control manual in which present the main professional practices required for the effective monitoring and evaluation of the internal audit of the guarantees the professionalism and due diligence.

## **MODULE 5: The Rules of Procedure (Statute) of the Internal Audit**

The purpose of this section is the trainees to understand the usefulness of an integrated and Practical Operation Regulation and to find common solutions to the challenges related to the elaboration of a modern Internal Audit Procedure in their organisation.

The unit consists of four subsections (4) and one (1) case study, which are as follows:

### **5.1 What is the role of Internal Audit Procedure**

#### **5.1.1 What will learn through the teaching sub-module # 5.1**

The purpose of this sub-section is enabling learners to understand the role of Internal Audit Statute for the effective functioning of M.E.E.

Objectives of the module are:

1. To obtain information on international standards that specify the role and content of a European Statute for Internal Audit.
2. Understand the relationship of the Statute with the Agency of the Ministry and with the other provisions in force (taking deposits, access to documents, protection of personal data, etc.) governing the functioning of bodies in the public sector.

#### **5.1.2 In you will find the slides**

The material of specified slides from section 2.4 and Tool on 1/Αναπτύσσοντας an Operating Rules of Internal Audit in the Audit Manual and the matters of procedure, which is defined in the International Standards for the Professional Practice of Internal Audit that “The purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit charter in accordance with the definition of the IIA on internal auditing, code of ethics and standards. The head of internal audit must periodically review the internal audit charter and present it to senior management and the board for approval’.

### **5.2 How to set up the Operating Rules of Internal Audit in your organisation**

#### **5.2.1 What will learn through the teaching sub-module # 5.2**

The purpose of this sub-section is to reach practical trainees an Internal Audit Procedure.

Objectives of the module are:

1. To take stock of the trainees the model Statute proposed by the OECD in the audit manual.
2. To understand the basic methodological approach for the creation of a European Statute of internal control.

### 5.2.2 In you will find the slides

The material of specified slides from section 2.4 and Tool # 1/Αναπτύσσοντας Control an Operating Rules of Internal Audit in the Audit Manual, which set out the main elements to be contained in an internal audit function.

### 5.3 Delivers Team Work A

#### **Group Work A) Developing an Operating Rules of Internal Audit — 30 minutes**

Two (2) teams will χōristeíte

Please check for the 10 Statute Proposed OECD and then 2 panels with one representative to reply briefly to the following questions:

#### **A. Group**

- What is the purpose, context and the guidelines set out in the Rules of Internal Auditing in a State Agency?
- What is the purpose, tasks and scope of Internal Audit in accordance with the Statute?

#### **B. Group**

- What are the roles and responsibilities of the parties involved in the drafting and approval of the Statute?
- What are the duties of Head of Internal Audit (accountability), how the independence and objectivity of the Internal Audit, which is the scope of the powers of the body and to physical activities, may not be involved?

#### Indicative Work Team solution A

After the trainees review the indicative Operating Rules of the OECD on pages 90-94 of the control manual will provide the answers to questions are on the following pages of the Manual:

A working party: page 90 & p 91-92

Second group: page 90-91 & p 92-93

## **MODULE 6. Development of plan for controls based on risk assessment and mapping**

The purpose of this section is the trainees to understand the importance of the internal auditors to draw up their audit plan of action on the basis of the results of a risk assessment exercise that threaten the orderly functioning of the body/organisational units within the sphere of competence of M.E.E.

The module consists of two sub-modules and four (4) (2) case studies, which are as follows:

### **6.1 What is the risk assessment process and why is it important for planning the audit action**

#### **6.1.1 What will learn through the teaching sub-module # 6.1**

Purpose of the module is to understand the purpose and content of a plan for audit engagements on the basis of risk assessment and the key importance of the concept of risk in this process.

Objectives of the module are:

1. To understand the trainees the effective contribution of the risk assessment in a rational and efficient audit plan of action.
2. To understand the essential elements of the identification process and risk assessment and what the International Standards for the Professional Practice of Internal Auditing.

#### **6.1.2 In you will find the slides**

The material of specified slides comes mainly from the introduction to chapter 4 of the control manual, describing the concept of risk and the importance of the engagements plan based on the inventory and analysis of risks affecting the organisation. This will foster more efficient use of available control resources, control and to contribute to providing assurance on the effectiveness and efficiency of risk management, control and governance processes.

### **6.2 What are the main steps for preparing the audit action plan based on the risk assessment**

#### **6.2.1 What will learn through the teaching sub-module # 6.2**

The purpose of the trainees sub-section is to understand the main steps for establishing a rational to plan the best possible planning of control activities on the basis of the available resources



Objectives of the module are:

1. To understand the trainees of key steps in the process of drawing up the plan.
2. To engage in practical approaches on key issues such as the identification of the “control environment”

### ***6.2.2 In you will find the slides***

The material of specified slides from Section 4.1 and Audit Tool # 7, situated in the control manual, address in detail the main issues related to the concept of risk and the recording procedure and evaluation at the level of the audit scope.

## **6.3 The development of the control plan for the methodology based on risk assessment**

### ***6.3.1 What will learn through the teaching sub-module # 6.3***

Purpose of the module is to be discussed more extensively the methodological approach and the specific tasks for the completion of audit action plan based on a risk assessment.

Objectives of the module are:

1. To understand the trainees the recording procedure and risk assessment
2. To understand the impact of this process on the rational use of available resources, to undertake appropriate types of audit activity and added value of the entity’s operation.

### ***6.3.2 In you will find the slides***

The material of specified slides from section 4.3 of the control manual setting out the data needed for drawing up the audit plan of action based on the results of the risk assessment.

## **6.4 Consent procedure and communication action plan audit**

### ***6.4.1 What will learn through the teaching sub-module # 6.4.***

Purpose of the module is to identify the trainees the notification requirement of planning for the internal audit function and resource requirements of the Head and at the maximum service by the Agency for review and approval.

Objectives of the module are:

1. Be aware of the approval process of audit plans of action and in particular how it can be implemented within the Greek public administration.

2. To see the outlines of the stages in the process of developing a plan to audit and the period can cover a similar plan.

#### 6.4.2 In you will find the slides

The material of specified slides from the introduction to Chapter IV of the control manual and 3.4.4 of the Technical Report Analysis Disputes, showing the need to communicate information on the training of control action programme based on risk assessment.

#### 6.5 Delivers Team Work B

**Group Work B) Case Study:** Identifying the control environment (organisational unit/body functions/responsibilities and procedures)

30) — Chōristeíte into 3 groups. One representative of each Group will answer the questions of the working group B

##### I. Public information indicator functions:

ΛΕΙΤΟΥΡΓΙΕΣ
Είσπραξη δημόσιων εσόδων
Διαχείριση ανθρώπινων πόρων
Οικονομική διαχείριση (κατάρτιση και εκτέλεση Π/Υ)
Έλεγχος νομικών και φυσικών προσώπων
Προμήθειες
Παρακολούθηση εφαρμογής κανονιστικού πλαισίου
Τήρηση αρχείων

Look through the table and in particular by the above functions/powers to discuss and identify the control environment at the level of functions/powers to the bodies which you will be given a (indicated in each group — record 2 supporting and 2 operational)

II. Information indicative public organisations:

ΔΙΑΔΙΚΑΣΙΕΣ
Έκδοση πιστοποιητικού βάσει αρχείων της Υπηρεσίας
Λήψη Επιχορηγήσεων
Σύνταξη προϋπολογισμού Γενικής Διεύθυνσης Οικονομικών Υπηρεσιών
Λογιστική παρακολούθηση απαιτήσεων από νομικά και φυσικά πρόσωπα
Εξόφληση προμηθευτή

For one operational and one supporting the functions identified in the previous question, please specify 2 indicative procedures for each of them bringing the control environment, procedures, taking inspiration from the example above.

III. Is given in the following slides extract of Agencies and Bodies of the Ministry of Finance by the updated register SERVICES AND BODIES of the Hellenic administration (notification 6/2017). Specify the control environment, if controlled only:

- 1st panel: General and specific secretariats within Ministry
- 2nd panel: Legal persons under public law and public limited companies within the State
- 3rd panel: Private legal entities outside the public including societies anonymes

Discussion on remaining supervised bodies which do not fall into these categories.

**Indicative Work Team solution B**

Sections I and II: & Would welcome the proclamation of the Team Work B by asking trainees to think and to record the corresponding functions and procedures which are the agencies of their origin. Are apparently accepted all responses.

Section III: Control environment in the correct answer for 4 is as follows:

1st panel: at the level of the Secretaries-general/group. **GENERAL SECRETARIATS**

2nd panel: at the level of the Public/State Dikaíooy- within a group VII. **LEGAL PERSONS GOVERNED BY PUBLIC LAW**

3rd panel: at the level of the legal entities of private Dikaíooy- outside the public/the group b II.NOMIKA persons PARTNERSHIPS LAW

4nd panel: at the level of the companies outside the public/the group βIII. **PUBLIC LIMITED-LIABILITY COMPANIES**

### 6.6 Delivers Team Work C

**Teamwork C) Study:** Developing an annual audit plan based on a risk assessment at the level of the Ministry

30) — Chōristeíte into 3 groups.

Episkopíte Tool (see 8/Περιβάλλον Manual Control)

It is assumed that following interviews with the officials of the ministry complete risk score table for the following activities:

ΔΡΑΣΤΗΡΙΟΤΗΤΕΣ - ΕΠΙΠΕΔΟ 1	ΕΠΙΠΤΩΣΗ	ΠΙΘΑΝΟΤΗΤΑ
1. Πλαίσιο Διοίκησης	1	5
2. Σχεδιασμός & Λογοδοσία	3	4
3. Διαχείριση Περιουσιακών Στοιχείων και Πόρων	5	5
4. Διαχείριση του ανθρώπινου κεφαλαίου	3	4
5. Προστασία περιουσιακών στοιχείων, πληροφοριών και ανθρώπων	3	3
6. Διαχείριση των πληροφοριών και της τεχνολογίας των πληροφοριών	2	1
7. Νομικές υπηρεσίες	1	1
8. Επικοινωνίες	2	2
9. Λήψη προγραμμάτων και υπηρεσιών	2	4

Discuss what is meant by specific scores for each activity (IMPACT & likelihood ΕΠΕΛΕΥΣΙΣ).

For your convenience and the table below:

ΑΝΤΙΚΤΥΠΟΣ	Μέγιστη					
	Πολύ Υψηλή					
	Μέτρια					
	Χαμηλή					
	Αμελητέα					
		Πολύ Σπάνια	Σπάνια	Μέτρια	Πολύ Πιθανό	Σχεδόν Βέβαιο
		ΠΙΘΑΝΟΤΗΤΑ				

On the basis of the results of the risk assessment suggest activities included in the audit plan of action, if you have time available for inspection for:

1th ομάδα- activities 3

2th ομάδα- activities 4

3th ομάδα- activities 5

Based on previous work, please fill in the annual audit plan below with the following matters:

- The audit team has 3 internal auditors
- Audits will be carried out only of the red and yellow area and the number of man days of each control group is equal to the Total of hours of regular checks/number of audits of red

**ΑΣΚΗΣΗ: ΔΙΑΜΟΡΦΩΣΤΕ ΤΟ ΕΤΗΣΙΟ ΠΛΑΝΟ  
ΓΙΑ 3 ΕΣΩΤΕΡΙΚΟΥΣ ΕΛΕΓΚΤΕΣ**

Ανθρωποώρες (40 ώρες X 4 εβδομάδες X 12 μήνες)= .....

- Άδεια (21 X 8)= .....

- Αργίες (7 X 8)= .....

- Ασθένεια (2 X 8)= .....

Αριθμός Ελεγκτών ..... [α]

& yellow area. ΔΙΑΘΕΣΙΜΕΣ ΑΝΘΡΩΠΟΩΡΕΣ = .....

Πρόγραμμα Διενέργειας Ελέγχων 201X	
<b>A. Τακτικοί έλεγχοι</b>	<b>Ωρες</b>
1.Πλαίσιο Διαχείρισης	----
2.Σχεδιασμός & Λογοδοσία	----
3.Διαχείριση Περιουσιακών Στοιχείων και Πόρων	----
4.Διαχείριση του ανθρώπινου κεφαλαίου	----
5.Προστασία περιουσιακών στοιχείων, πληροφοριών και ανθρώπων	----
6.Διαχείριση των πληροφοριών και της τεχνολογίας των πληροφοριών	----
7.Νομικές υπηρεσίες	----
8.Επικοινωνίες	----
9.Λήψη προγραμμάτων και υπηρεσιών	----
<b>Σύνολο Τακτικών Ελέγχων</b>	<b>.....</b>
<b>B. Εκτακτοι Έλεγχοι</b>	
B1 Έλεγχοι βάσει Νομοθεσίας	0
B2 Λοιποί (10% επί των διαθεσίμων για έλεγχο ωρών)	.....
<b>Σύνολο Εκτάκτων Ελέγχων</b>	<b>.....</b>
<b><u>ΔΙΑΘΕΣΙΜΕΣ ΑΝΘΡΩΠΟΩΡΕΣ ΕΛΕΓΧΩΝ</u></b>	<b>(1).....</b>
<b>Γ. Μη ελεγκτικές Δραστηριότητες</b>	
G1 Ακαδημαϊκές – Επιμορφωτικές-Λοιπές δραστηριότητες	636
G2 Διοικητικές Δραστηριότητες	314
G3 Συναντήσεις XXX	201
<b>Σύνολο Απαιτούμενων Ωρών για μη Ελεγκτικές δραστηριότητες</b>	<b>(2).....</b>
<b><u>ΣΥΝΟΛΟ ΔΙΑΘΕΣΙΜΩΝ ΑΝΘΡΩΠΟΩΡΩΝ (1)+(2)=[α]</u></b>	<b>=====</b>

## Indicative Work Team solution C

(a) Υπολογίζοντας risk in the following table specifies the activities of the 4 groups.

ΕΠΙΠΕΔΟ 1	ΑΝΤΙΚΤΥΠΟΣ	ΠΙΘΑΝΟΤΗΤΑ	ΡΙΣΚΟ	ΠΕΡΙΟΧΗ ΡΙΣΚΟΥ	ΔΡΑΣΤΗΡΙΟΤΗΤΑ ΟΜΑΔΑΣ
3. Διαχείριση Περιουσιακών Στοιχείων και Πόρων	5	5	25	Red	1H /2H/3H/4H
2. Σχεδιασμός & Λογοδοσία	3	4	12	Red	1H /2H/3H
4. Διαχείριση του ανθρώπινου κεφαλαίου	3	4	12	Red	1H /2H/3H
5. Προστασία περιουσιακών στοιχείων, πληροφοριών και ανθρώπων	3	3	9	Yellow	2H/3H
9. Λήψη προγραμμάτων και υπηρεσιών	2	4	8	Yellow	3H
1. Πλαίσιο Διαχείρισης	1	5	5	Yellow	
8. Επικοινωνίες	2	2	4	Yellow	
6. Διαχείριση των πληροφοριών και της τεχνολογίας των πληροφοριών	2	1	2	Green	
7. Νομικές υπηρεσίες	1	1	1	Green	

(b) It will be resolved in the following order:

- Calculation of available man-hours for 3 auditors
- we all have found that the Total Available man-hours
- Calculate the C and remove from the Total Available man-hours to find all the Total Available man-hours Audits
- Calculate the temporary controls (the other 10 % of the Total Available man-hours Audits) of analysis and subtract the amount found by the available man-hours Audits to find the Total Ordinary Inspections.

Plural — all 3500 ωρών/7 controls (red and green) = 500 hours per inspection

The table below summarises the calculations:

Ανθρωπόωρες (40 ώρες X 4 εβδομάδες X 12 μήνες)=	1.920	
_ Άδεια (21 X 8)=	168	
_ Αργίες (7 X 8)=	56	
_ Ασθένεια (2 X 8)=	16	
<b>Αριθμός Ελεγκτών</b>	3	
<b>ΔΙΑΘΕΣΙΜΕΣ ΑΝΘΡΩΠΟΩΡΕΣ =</b>	<b>5.040</b>	<b>[α]</b>
<b>Πρόγραμμα Διενέργειας Ελέγχων 201X</b>		
<b>A. Τακτικοί έλεγχοι</b>	<b>Ωρες</b>	
1.Πλαίσιο Διαχείρισης	500	
2.Σχεδιασμός & Λογοδοσία	500	
3.Διαχείριση Περιουσιακών Στοιχείων και Πόρων	500	
4.Διαχείριση του ανθρώπινου κεφαλαίου	500	
5.Προστασία περιουσιακών στοιχείων, πληροφοριών και ανθρώπων	500	
6.Διαχείριση των πληροφοριών και της τεχνολογίας των πληροφοριών	0	
7.Νομικές υπηρεσίες	0	
8.Επικοινωνίες	500	
9.Λήψη προγραμμάτων και υπηρεσιών	500	
<b>Σύνολο Τακτικών Ελέγχων</b>	<b>3.500</b>	
<b>B. Έκτακτοι Έλεγχοι</b>		
B1 Έλεγχοι βάσει Νομοθεσίας	0	
B2 Λοιποί (10% επί των διαθέσιμων για έλεγχο ωρών)	389	
<b>Σύνολο Εκτάκτων Ελέγχων</b>	<b>389</b>	
<b>ΔΙΑΘΕΣΙΜΕΣ ΑΝΘΡΩΠΟΩΡΕΣ ΕΛΕΓΧΩΝ</b>	<b>3.889</b>	<b>[1]</b>
<b>Γ. Μη ελεγκτικές Δραστηριότητες</b>		
G1 Ακαδημαϊκές – Επιμορφωτικές-Λοιπές δραστηριότητες	636	
G2 Διοικητικές Δραστηριότητες	314	
G3 Συναντήσεις XXX	201	
<b>Σύνολο Απαιτούμενων Ωρών για μη Ελεγκτικές δραστηριότητες</b>	<b>1.151</b>	<b>[2]</b>
<b>ΣΥΝΟΛΟ ΔΙΑΘΕΣΙΜΩΝ ΑΝΘΡΩΠΟΩΡΩΝ (1)+(2)=[α]</b>	<b>5.040</b>	<b>[1]+[2]=[α]</b>



## **MODULE 7: Control valves**

The purpose of this section is the trainees to understand the meaning of internal controls (internal controls) and their position within the Internal Control System (internal control system and the functioning of internal control (internal audit)

The module consists of two sub-modules (2) and one (1) case study, which are as follows:

### **7.1 Definition and development of internal audit controls. Key concepts: Internal Control — Internal Audit — Internal Controls**

#### **7.1.1 What will learn through the teaching sub-module # 7.1.**

Purpose of the module is to clarify the content and meaning of the key concepts used internationally in relation to developing mechanisms and internal control arrangements.

Objectives of the module are:

1. To analyse the trainees the concepts of internal controls, internal audit, internal control system and to identify their conceptual differences.
2. The trainees to learn about the types of controls and the main objectives for growth at the level of public institutions.

#### **7.1.2 In you will find the slides**

The material of specified slides comes mainly from section II-IV Scrutiny Programme Key controls and by Section 3.2 of the control manual, analysing the content of those terms and their proper use within the Greek public administration.

### **7.2 The Role of Internal Auditor in relation to the internal control system — The model of the Three Line of Defence**

#### **7.2.1 What will learn through the teaching sub-module # 7.2**

The purpose of the trainees sub-section is to better understand the position of the internal audit function and duties of internal auditors within public organisations based on the model of the Three Line of Defence.

Objectives of the module are:

1. To know the characteristics and division of roles and responsibilities between the three lines of defence

2. To better understand the position of the other institutions to exercise control and supervision and internal audit systems and operational management of the organisation.

### 7.2.2 In you will find the slides

The material of specified slides comes mainly from section III Scrutiny Programme Key control, setting out the model of the Three Line of Defence as a useful tool for clarifying the exact position and role of internal audit function with regard to the controls in the context of an internal control system.

### 7.3 Delivers Team Labour D

**Teamwork D) Case Study:** Developing internal control valves

30) — Chōristeíte into 2 groups.

Review the following slides, potential risks

- a) at the level of the unit and
- b) at operational level

Please fill in the table you are given a description of any risk (ideally identify new risks) and propose internal control valves, do you think that effectively address these risks.

A Member to present risks and the proposed safeguards internal audit team.

#### **A. Directorate for Administration (level organisational unit)**

##### **Risks:**

- Lack of supervisory powers to the supervised entities (legal persons governed by public law and legal entities governed by private law)
- Expiry of time limits for judicial redress from third parties
- Failure to complete the disciplinary investigation cases within a reasonable period
- Document leaking from the physical and electronic archive service

#### **B. Supplies and services (level)**

##### **Risks:**

- Avoid diagnostic procedure using the splitting of the contract

- Drafting tender conditions in order to benefit a particular supplier
- Receipt of lower quality products/services covered conventional
- Non-fulfilment of requirements institutional framework for direct awards to EUR 20.000. In particular:
  1. entry of specific budget allocation of expenses (Articles 25, 26 and 49 of Law 4270/2014 and Presidential Decree 80/2016).
  2. technical description, indicative budget (Article 54 of Law 4412/2016)
  3. primary suspension request in KIMDIS. (Article 11 of Law 4013/2011 Article 38 of Law 3 4412/2016)
  4. decision Analipseos Obligation (Articles 66, 67 and 68 of Law 4270/2014, Articles 2 and 3 of Presidential Decree 80/2016)

Διαδικασία		
Κίνδυνος	Συνοπτική Περιγραφή Κινδύνου	Περιγραφή δικλίδας /μηχανισμού ελέγχου

**Indicative solution D Labour Team**

.....

## **MODULE 8: Planning an audit mission**

The purpose of this section is the trainees to understand the fundamental importance of thorough planning and preparation before carrying out each audit engagement.

The module consists of two sub-modules and four (4) (2) case studies, which are as follows:

### **8.1 Overview of the steps of the process of planning an audit mission**

#### **8.1.1 What will learn through the teaching sub-module # 8.1**

The sub-module is the comprehension by trainees of steps required at programming level to ensure a successful audit engagement.

Objectives of the module are:

1. The trainees to understand the content of the terms: objectives, scope, criteria and methodology in the context of the planning of the audit mission.
2. To know the trainees step by step the programming process in line with the International Standards for the Professional Practice of Internal Auditing.

#### **8.1.2 In you will find the slides**

The material of specified slides comes mainly from section 6.1 of the control manual explaining the importance of the proper design as a tool which enables the audit groups to define the objectives, scope, criteria and methodology of the Mission. The key output from this process is to develop and record a concrete action plan, including objectives, scope, the allocation of time and resources.

### **8.2 How to assess the risk in the context of the audit mission (unit/process/function)**

#### **8.2.1 What will learn through the teaching sub-module # 8.2**

The purpose of the trainees sub-section is to understand the requirements of the assessment exercise for the purposes of the preparation of a particular mission, which is different from the risk assessment carried out for the purpose of preparing the audit plan (see action above Section 6)

Objectives of the module are:

1. To understand the purpose and the procedure for the assessment of risks in the framework of this audit mission.
2. To discuss the technical requirements of this exercise and how this output.

### ***8.2.2 In you will find the slides***

The material of specified slides from section 6.1 and Tool # 6/Εργαλείο Control recording and risk assessment included in the Audit Manual, which analyses the need and characteristics of the risk assessment focusing on the areas with the highest value of the audited entity. This is precisely the reason why the audit team needs to understand best the entity to be audited.

## **8.3 Objectives, criteria, methodologies of a consignment of internal control**

### ***8.3.1 What will learn through the teaching sub-module # 8.3***

The purpose of the trainees sub-section is to understand the need to identify concrete and achievable targets per audit mission while defining appropriate criteria and audit methodology to ensure the success of the audit mission.

Objectives of the module are:

1. To familiarise trainees with the procedure for determining objectives which describe the expected outputs from the audit mission.
2. To understand the characteristics and how you define criteria and the audit methodology and their contribution to the successful completion of the audit mission.

### ***8.3.2 In you will find the slides***

The material of specified slides from section 6.1 of the control manual, which clearly sets out how to determine the objectives of the audit mission at the centre of the audit opinion and the role of audit criteria as reasonable efficiency standards against which to evaluate the existing conditions. Also presented and methodologies to be used to meet the objectives of the mission.

## 8.4 What is the reference framework for internal control of a mission

### 8.4.1 What will learn through the teaching sub-module # 8.4

The purpose of the trainees sub-section is to understand the meaning and content of the reference framework as a tool to facilitate communication of internal auditors with the audited body by presenting the key parameters of the audit mission.

Objectives of the module are:

1. To understand the usefulness of a coherent reference framework and discuss the topics to be included in it.
2. To understand the steps of the breakout discussion with executives of the audited unit/programme.

### 8.4.2 In you will find the slides

The material of specified slides from section 6.1 of the control manual, which states that terms of reference (reference framework) provide a high-level summary on the control plan, to facilitate the understanding of the subject matter and the characteristics of the control by the auditee.

## 8.5 Delivers Team Labour E

**Teamwork E) Case Study:** Perform a risk assessment exercise in a programming mission internal control

Chōristeíte 2 groups, one responsible for checking that the Financial Management unit and one for the Staff Management Unit — 30'

During the annual audit plan, priority is given to internal audit units (a) Financial Management, which deals with supplies and (b) Personnel Administration. Given list potential risks identified by the audit team, in the programming of their work.

ΚΙΝΔΥΝΟΣ	ΠΙΘΑΝΟΤΗΤΑ	ΕΠΙΠΤΩΣΗ
Κίνδυνος απώλειας προσωπικών δεδομένων των υπαλλήλων της Οικονομικής Διαχείρισης	1	5
Κίνδυνος καθυστερημένης ενημέρωσης των φακέλων προσωπικού με νέα στοιχεία ή τήρησης λανθασμένων στοιχείων	3	3
Κίνδυνος μη διαχωρισμού δραστηριοτήτων Οικονομικής Διαχείρισης λόγω έλλειψης προσωπικού	3	4
Κίνδυνος μη τήρησης του Κανονισμού Δεοντολογίας από το προσωπικό της Οικονομικής Διαχείρισης	3	3
Κίνδυνος υποστελέχωσης προσωπικού Οικονομικής Διαχείρισης	5	5
Κίνδυνος χαμηλής επιμόρφωσης προσωπικού Οικονομικής Διαχείρισης	3	4
Κίνδυνος απώλειας δεδομένων προμηθευτών της Οικονομικής Διαχείρισης από το πληροφοριακό σύστημα	1	3
Κίνδυνος εμφάνισης απάτης σε προμηθευτή της Οικονομικής Διαχείρισης (έχει συμβεί στο παρελθόν αντίστοιχο fraud case;)	1	2
Κίνδυνος εντατικής χρήσης απευθείας αναθέσεων	2	5
Κίνδυνος μη τήρησης διαδικασιών ανάθεσης δαπάνης βάσει Ν. 4412/2016	2	5
Κίνδυνος μη τήρησης διαδικασιών πληρωμής Αμοιβών Τρίτων βάσει Ν. 4412/2016	2	4

The two groups having choose the risks relating to their departments, using the risk assessment to rank low — medium — high risk using the table of the risk assessment.

ΑΝΤΙΚΤΥΠΟΣ	Μέγιστη					
	Πολύ Υψηλή					
	Μέτρια					
	Χαμηλή					
	Αμελητέα					
		Πολύ Σπάνια	Σπάνια	Μέτρια	Πολύ Πιθανό	Σχεδόν Βέβαιο
		ΠΙΘΑΝΟΤΗΤΑ				

### Indicative Work Team solution E

The table below summarises the solution of team work:

RISK	AREA	LIKELIHOOD	IMPACT	RISKO	RISKOY REGION
Limited risk of Financial Management staff	0	5	5	25	
Risk of unbundling Financial Management due to a lack of staff resources	0	3	4	12	



Risk of low staff training Financial Management	0	3	4	12	
Risk of a delayed updating of personnel files with new elements or keeping incorrect data	0	3	3	9	
A risk of non-compliance with the Rules of Conduct by staff of the Financial Management	0	3	3	9	
Risk of loss of personal data of staff of the Financial Management	0	1	5	5	
Risk of high use of direct awards	PRIOR TO	2	5	10	
Risk of non-compliance with procurement procedures, expenditure pursuant to Law 4412/2016	PRIOR TO	2	5	10	
Risk of non-compliance with payment procedures equal-pay Triton pursuant to Law 4412/2016	PRIOR TO	2	4	8	
Risk of loss of data suppliers of Financial Management of the IT system	PRIOR TO	1	3	3	
Risk of fraud to a supplier of Financial Management (it has happened in the past similar fraud case?)	PRIOR TO	1	2	2	

### 8.6 Delivers Team Labour F

**Teamwork F) Case Study:** Developing audit programme, audit criteria and methodologies of an audit engagement.

Based on the results of the previous inspection work risks only yellow and red area, write the Monitoring Programme with the following sub-modules:

#### **CONTROL PROGRAMME**

1. **Control range (to be checked)**
2. **Objectives elégchoy-Erōtímata in the scrutiny programme (Why be checked)**
3. **Audit methodology**

The integrated control programme will be presented at the section by a member of the group.

#### **Indicative solution Team Labour F**

Based on the preceding assessment, steps will be developed for the following 7 risks (red and yellow).

RISK	WHAT BE CHECKED	WHY WILL BE CHECKED	QUESTIONS IN THE CONTROL PROGRAMME	METHODOLOGY
Limited risk of Financial Management staff	Staffing Office	The staffing of the service is to assess whether the staffing needs of the Office	The part of the Economic governance have appropriately staffed? What policies followed to meet the needs, where there are shortcomings? What events have resulted in the understaffing of the service?	Interview with the Head of Financial Management and Head of Personnel Directorate for information on factual grounds (limited current situation etc.). Take organisational structure and staffing for the period under scrutiny to identify deficiencies
Risk of unbundling Financial Management due to a lack of staff resources	Staffing Office	The staffing of the service performed for assessing whether the understaffing staff creates problems of unbundling of the Office	There is a manual of procedures? If yes episkopíste major processes of economic management and indicate cases of segregation processes, mainly due to the lack of staff. If there is no tick on the manual of procedures.	Interviews with Head of Economic management for manual. Field observation procedures for disclosure understaffing, non-compliance with procedures.

				Sample documents for trade overview separation proceedings through the signature by different staff members of the Agency.
Risk of low staff training Financial Management	Staff education/composition	The staff training policy is to assess whether the Office has qualified staff and if the training at regular intervals to cover current needs.	There is a training policy for staff? The training included in the priorities of the Administration? There is a department of education or training centre in the Service? To record the hours of training for staff in the last 5 years.	Interviews with Head of Economic Directorate and management staff. Collection of information and training hours compared with data in personal files.
Risk of a delayed updating of personnel files with new elements or keeping incorrect data	Staff organisation	The audit organisation staff is to check whether the files of staff are fully informed of the Economic Management	There is early information procedure of personnel files?	Sampling personnel files and overview of completeness and timely updating them. Comparison of actual facts and decisions of Administration (promotion, etc.).
A risk of non-compliance with the Rules of Conduct by staff of the Financial Management	Staff organisation	The audit organisation staff to check whether there is compliance with ethical code and by staff.	The list Episkopíste decisions of the Disciplinary Board and find out whether there are cases of non-compliance with the rules of conduct.	Interviews with Head of Economic Directorate and management staff for breaches of conduct. Take practical Disciplinary Board.
Risk of loss of personal data of staff of the Financial Management	Staff organisation	The audit organisation staff is made to check whether the personal data of staff are kept adequately.	There is a policy of protection of personal data of staff? There are update actions of civil protection in accordance with the new institutional context of 5/2018?	Interviews with Head of Economic Management and Directorate staff on issues of protection of personal data. Overview of actual measures for physical and electronic protection of personal data.
Risk of high use of direct awards	Procurement procedure	The procurement procedure is to check if there is intensive use of direct awards.	The practice of direct awards an explanation for the urgency of the procedure? Record the total number and value of direct awards over the total supply.	To obtain their supplies by type of tender procedure.

Risk of non-compliance with procurement procedures, expenditure pursuant to Law 4412/2016	Procurement procedure	The procurement procedure is checked to verify the compliance of the N.SIS Office 4412/2016.	The service shall comply with the procurement costs of Law 4412/2016. There is a manual of procedures adapted in Law 4412/2016;	Sampling of expenditure for verification of compliance with the Act 4412/2016.
Risk of non-compliance with payment procedures equal-pay Triton pursuant to Law 4412/2016	Payments suppliers/third parties	The procedure for payment of suppliers/third check to verify the compliance of the N.SIS Office 4412/2016.	The service shall comply with the award procedures for payment of suppliers/third of Law 4412/2016; There is a manual of procedures adapted in Law 4412/2016;	Sampling of payment of suppliers/third parties for control of compliance with Law 4412/2016.

## **MODULE 9: Conducting an internal auditing**

The purpose of this section is the trainees to understand the steps and good practices for conducting an effective internal audit mission.

The module consists of two sub-modules (2) and one (1) case study, which are as follows:

### **9.1 Overview of the steps in the phase of an audit mission**

#### **9.1.1 What will learn through the teaching sub-module # 9.1**

Purpose of the module is to understand key actions from the phase of implementation of the audit engagement by the initial recording of findings and proposals Update of the audited body.

Objectives of the module are:

1. To analyse the individual stages of the phase of the audit mission.
2. To present the role of the auditor and the audited entity at this stage.

#### **9.1.2 In you will find the slides**

The material of specified slides comes mainly from section 6.2 of the control manual, stating that the execution phase begins officially with the approval of the reference framework (Terms of Reference). The main steps of an investigation involve the collection, review, analysis and assessment of the information related to the objectives of the commitments. Pulling together these steps will allow the audit team to draw up its conclusions on the state of the environment which was checked.

### **9.2 Applying internal control criteria and methodologies**

#### **9.2.1 What will learn through the teaching sub-module # 9.2**

Purpose of the module is to understand the essential technical and challenges around the implementation of the pre-determined criteria and methodologies in a consignment of internal control.

Objectives of the module are:

1. To present the main data collection methods and data.
2. To present the basic approaches to sampling.

### 9.2.2 In you will find the slides

The material of specified slides from section 6.2 of the Audit Manual, which shall present the techniques and practices for application of methodologies and criteria identified in the planning phase of the audit mission.

## 9.3 What is the internal auditor's worksheets

### 9.3.1 What will learn through the teaching sub-module # 9.3

The purpose of the trainees sub-section is to understand the type and content of working papers and their contribution to the documentation of findings and conclusions related to the objectives and criteria of the audit mission.

Objectives of the module are:

1. Specify the requirements of the international internal control standards on the use of worksheets
2. To understand the key features of the content and structure of the worksheets

### 9.3.2 In you will find the slides

The material of specified slides from section 6.2 of the control manual, stating that the working papers are documents needed for documenting the binding objectives and criteria. In accordance with standard 2330 of the International Standards of IEE, "internal auditors must document relevant information to support the conclusions and engagement results. The working sheets must be trimmed, accurate, concise, complete, and reasonably'.

## 9.4 Delivers Team Work G

**Teamwork G) Case Study:** Analysing data and by developing audit conclusions

Chōristeíte 2 groups — 30)

You have won the Personnel Directorate on the evaluation of the curriculum of education/training of the Ministry for year X.

Verification carried out in Directorate was designed to investigate:

1. The process for curriculum/training in the reference year and the monitoring of its implementation.

2. The efficiency of the overall education and training programme and curricula, training carried out during the reference year.

On the basis of the interviews and the collection of data, listed below, to make each group in the appropriate audit conclusions (the 1st group for the first group and 2 for the second).

Field No 1: The process of education/training programme of the year of reporting and monitoring of its implementation.

- Preparation of the programme of education/training, reference year, by the Directorate for Personnel, based on oral proposals for qualification and training of staff.
- The annual Financial Budget — total expenditure carried out without analysis and separation of direct costs for training programmes and other indirect costs of the Directorate-General for Personnel.
- Were the following:

A. Training budget:

2015: 1,2 million. euro

2016: 1 a. euro

B. Statement of expenditure:

2016: 1,1 a. euro

Field No 2: Control Performance of education/training programme

- For the evaluation of individual training programmes the Directorate for Personnel collects questionnaires to be completed by learners and trainers, immediately after the end of each seminar and then writes to the organisational unit requested by this programme, stating the findings resulting from these questionnaires and any proposals. This letter is often remains unanswered by the competent organisational unit.
- There are no registered objectives within the ministry and/or organisational units, governing the preparation, implementation and evaluation of the training programme,

although the Directorate for Personnel for its part has tools and procedures for the above, but have not yet been implemented.

- Capacity in educational, teaching hours Aithoysón Office: 5.000 hours. Rooms in actual teaching hours in the reference year: 4.000 hours



### Indicative solution Team Work G

The table below summarises the audit findings:

1ος τομέας- Έλεγχος τήρησης Προϋπολογισμού	Ελεγκτικά συμπεράσματα
Η κατάρτιση του προϋπολογισμού δαπανών της Διεύθυνσης Εκπαίδευσης, έτους 2016, βασίστηκε σε προφορικές προτάσεις για επιμόρφωση και κατάρτιση μισθωτών.	Δεν υπάρχει καταγεγραμμένη και ολοκληρωμένη διαδικασία για την κατάρτιση του προϋπολογισμού δαπανών της Διεύθυνσης Εκπαίδευσης
Ο ετήσιος Οικονομικός Προϋπολογισμός – Απολογισμός παρακολουθείται ως συνολική δαπάνη χωρίς ανάλυση διαχωρισμού άμεσων δαπανών για προγράμματα εκπαίδευσης και έμμεσων λοιπών δαπανών της Διεύθυνσης.	Η παρακολούθηση του Προϋπολογισμού- Απολογισμού δαπανών ως συνολική δαπάνη δεν επιτρέπει την μελέτη αποτελεσματικότητας της εκπαιδευτικής δραστηριότητας και την μεγαλύτερη δυνατή αξιοποίηση των πόρων
Ελήφθησαν τα ακόλουθα στοιχεία: - Προϋπολογισμός εκπαίδευσης 2015: 1,2 εκ.€ , 2016: 1 εκ. ευρώ, απολογισμός δαπάνης εκπαίδευσης 2016: 1,1 εκ. ευρώ	Ο Προϋπολογισμός εκπαίδευσης μειώθηκε κατά 20% (1,2 σε 1,1 εκ ευρώ σε ένα έτος), που είναι σε βάρος της κατάρτισης του προσωπικού, ενώ υπήρξε και μη αξιοποίηση των μειωμένων κονδυλίων κατά 100χιλ ευρώ, που κρίνεται μέτριας σημασίας
<b>2ος τομέας- Έλεγχος Αποδοτικότητας εκπαιδευτικού προγράμματος</b>	
Για την αξιολόγηση των επί μέρους εκπαιδευτικών προγραμμάτων η Διεύθυνση Εκπαίδευσης συγκεντρώνει ερωτηματολόγια που συμπληρώνονται από τους εκπαιδευόμενους και τους εκπαιδευτές, αμέσως μετά τη λήξη κάθε σεμιναρίου και στη συνέχεια αποστέλλει επιστολή στη Μονάδα που είχε ζητήσει το συγκεκριμένο πρόγραμμα, όπου αναφέρει τα συμπεράσματα που έχουν προκύψει από τα εν λόγω ερωτηματολόγια και τυχόν προτάσεις. Η επιστολή αυτή συχνά παραμένει αναπάντητη από την αρμόδια Μονάδα.	Δεν υπάρχει ολοκληρωμένο σύστημα αξιολόγησης των εκπαιδευτικών προγραμμάτων, με αποτέλεσμα να μην υπάρχει επαρκής αξιολόγηση για λήψη διορθωτικών ενεργειών τα επόμενα έτη
Δεν υπάρχουν καταγεγραμμένοι στόχοι από την Υπηρεσία και τα τμήματα, που να διέπουν την κατάρτιση, υλοποίηση και αξιολόγηση του εκπαιδευτικού προγράμματος, παρότι η Διεύθυνση Εκπαίδευσης από τη δική της πλευρά διαθέτει εργαλεία και διαδικασίες για τα παραπάνω, τα οποία όμως μέχρι σήμερα δεν έχουν τεθεί σε εφαρμογή.	Έλλειψη στοχοθεσίας εκπαιδευτικής πολιτικής, μη υλοποίηση εργαλείων για τα οποία έχουν δαπανηθεί χρήματα από τη Διεύθυνση εκπαίδευσης
Δυναμικότητα σε εκπαιδευτικές ώρες Αιθουσών Διδασκαλίας Υπηρεσίας: 5000 ώρες. Πραγματικές εκπαιδευτικές ώρες 2016: 4000 ώρες	Υπάρχει υποχρησιμοποίηση των Αιθουσών διδασκαλίας κατά (4000/5000) 20%

### MODULE 10: By (co) writing the report of the internal audit

The purpose of this section is the trainees acquire the basic theoretical knowledge of all the steps from the drafting of the original project until its completion and approval of the internal audit report.

The unit consists of three sub-sections (3) and three (3) case studies, which are as follows:

## **10.1 Overview of the stages of drafting and adopting the Internal Audit report**

### **10.1.1 What will learn through the teaching sub-module # 10.1**

The sub-module is the training of trainees in the flow of steps and actions for the preparation and approval of the audit report.

Objectives of the module are:

1. The trainees to get to know the detailed steps and processes to complete the audit mission with the drafting of the internal audit report.
2. To understand the role and contributions of all parties involved at this stage.

### **10.1.2 In you will find the slides**

The material of specified slides from section 6.3 of the control manual, detailing the actions required for the drafting and submission for approval of an internal audit report.

## **10.2 What information included in a comprehensive report**

### **10.2.1 What will learn through the teaching sub-module # 10.2**

The purpose of the trainees sub-section is to understand the characteristics of a good control report, the relevant requirements of international standards, including the role of the auditor and the audited unit towards finalisation and approval of the audit report.

Objectives of the module are:

1. Trainees should understand what should be included in the audit report and the main quality characteristics of
2. To familiarise themselves with the communication process with the auditee during processing the report and features in senior management,

### **10.2.2 In you will find the slides**

The material of specified slides from section 6.3 of the control manual, describing in detail the contents and features of an integrated audit report as well as the obligations to communicate the contents with the parties concerned with a view to finalising the draft report, acceptance of findings and recommendations, and the preparation of a plan of compliance of the administration of the audited entity to these recommendations.

### **10.3 How we follow-up on the agreed action to comply with recommendations of audit reports**

#### **10.3.1 What will learn through the teaching sub-module # 10.3**

The purpose of the trainees sub-section is to understand the need to set up and maintain a system to monitor the implementation of corrective actions by the Administration of the audited entity based on the results of the verification.

Objectives of the module are:

1. To understand the trainees how to establish an effective mechanism for monitoring the implementation of the proposals of the audit report
2. To identify the role of the auditor and the auditee at that stage and to discuss the challenges encountered during the implementation phase of these approaches and management

#### **10.3.2 In you will find the slides**

The need for a credible monitoring mechanism of the implementation of the Action Plan of the administration of the audited entity to comply with the recommendations of the audit report is presented in section 6.3 of the Audit Manual, and reaffirmed in the standard 2500 of the International Standards of the IIA, which stipulates that “the head of internal audit should establish and maintain a system to monitor the implementation of corrective actions undertaken on the basis of the audit results”.

#### 10.4 Delivers The Labour Team

**Teamwork H) Case Study:** Developing an outlook report

Chōristeíte 2 groups — 30)

With regard to the data and the findings of the previous Work Team G, you are requested to prepare an outlook report, taking into account the following chapters:

##### **Table of contents**

1. Introduction
2. Extent of work
3. Summary of the Administration

#### Indicative solution H The Labour Team

##### 1 — INTRODUCTION

In implementation of control plan of Internal Audit, an inspection was carried out at the Directorate of Education, on the evaluation of the training programme of the Company for the year 2016.

##### SCOPE OF WORK 2.

The audit conducted in Education Directorate of the audited period was designed to investigate:

Verification carried out in Directorate was designed to investigate:

The Economic Control of the training programme for 2016 and the monitoring of its implementation (only for the 1 rd group).

The efficiency of the general training and educational programme of the Office and analytical training programmes, 2016 (only 2nd group).

##### 3. SUMMARY FOR THE ADMINISTRATION

An audit by the Internal Control Directorate Education: evaluation of the 2017 training programme of the Office.

The audit was carried out through interviews and data collection.

*From the interviews it was noted that:*

1th meeting Audit sector — Budget

The establishment of the budget expenditure of the Department of Education, 2016, was based on oral proposals for training and training for employees. The annual Financial Budget — monitored the overall costs of discriminant analysis without direct costs for education programmes and other indirect costs of the Directorate. Were the following: — Budget 2015: 1,2 million, 2016: 1 a. education expenditure, EUR 2016: 1,1 a. euro.

2 rd sector — Performance Audit Training Programme

For the evaluation of individual training programmes bringing together the Directorate of Education questionnaires to be completed by learners and trainers, immediately after the end of each seminar and then sends a letter to Unit requested by this programme, stating the findings resulting from these questionnaires and any proposals. This letter is often remains unanswered by the competent Unit. There are no registered objectives by the Office and the sections, governing the preparation, implementation and evaluation of the training programme, while the Education Directorate for its part has tools and procedures for the above, but have not yet been implemented. Capacity in educational, teaching hours Aithoysón Office: 5000 hours. Actual teaching hours: 2016 4000 hours.

*On the basis of the above the following audit findings:*

1th meeting Audit sector — Budget

There is no recorded and integrated process for establishing the budget expenditure of the Education Directorate

The monitoring of total expenditure — Check does not allow to study the effectiveness of training activity and the greatest possible use of resources

The education budget has decreased by 20 % (1,2 to 1,1 million in one year), which is detrimental to the training of the staff, and there was a lack of uptake of funds during the reduced EUR 100K, which is moderate

2 rd sector — Performance Audit Training Programme

There is no comprehensive evaluation system of the training programmes, with the result that there is no adequate assessment of corrective actions in the coming years. Lack of educational

policy objectives, implementation tools which have spent money from the Directorate for education. There is under-utilisation of Aithoysón teaching (4000/5000) 20 %.

### 10.5 Delivers Team Work I

**Teamwork I) Case Study:** Developing proposals

Chōristeíte 2 groups — 15)

Further to its previous report each group is asked to make proposals for each finding, which concerns it.

### Indicative solution I Labour Team

The following table summarises the proposals:

Audit conclusions	Proposals
Group 1:	
There is no recorded and integrated process for establishing the budget expenditure of the Education Directorate	To adopt formal and written procedure for the drawing up of the budget
The monitoring of total expenditure — Check does not allow to study the effectiveness of training activity and the greatest possible use of resources	There should be a separation of education expenditure in direct and indirect costs in order to better evaluate education programmes and resources of the Office.

The education budget has decreased by 20 % (1,2 to 1,1 million in one year), which is detrimental to the training of the staff, and there was a lack of uptake of funds during the reduced EUR 100K, which is moderate.	To discuss with the Supreme Command of the subject of cost reduction, but also to find the cause of failure to use the budget at EUR 100K.
Group 2:	
There is no comprehensive evaluation system of the training programmes, with the result that there is no adequate assessment of corrective actions in the coming years	Using ICT tools to create a single integrated system for assessment of education, which would involve the Directorate of Education, the trainees, trainers and the training mission units.
Lack of educational policy objectives, implementation tools for the money spent by the Directorate for Education	A target on educational policy and tools available to the Directorate for education.
There is under-utilisation of Aithoysón teaching (4000/5000) 20 %	To find the reasons for under-utilisation of Aithoysón Teaching and if justified by shortcomings in procedures, be revised.

### 10.6 Delivers Team Work I

#### **Teamwork I) Case Study:** Overview Action Plan and monitoring implementation — 15'

Following completion of the annual audit plan and over 1 year, fill in the Table 'recommendations' on monitoring compliance with the agreed corrective actions with the auditees. Please comment on what you are going to do, after the review of the relevant table.

A/A	Διορθωτικές ενέργειες (περιγραφή των δράσεων που έχουν αναληφθεί προς αντιμετώπιση των εντοπισθεισών αδυναμιών)	Πρόσδος υλοποίησης («εκτελέστηκε», «σε εξέλιξη», «εκτελέστηκε μερικώς» ή «δεν εκτελέστηκε»)	Λόγοι μη υλοποίησης (περιγραφή των λόγων μη υλοποίησης)	Επίπτωση (περιγραφή του επίπτωσης από την υλοποίηση ή μη των διορθωτικών ενεργειών – εάν υπάρχει)
1	Αναθεώρηση διαδικασιών προμηθειών	ΣΕ ΕΞΕΛΙΞΗ	ΗΘΕΛΗΜΕΝΗ ΚΑΘΥΣΤΕΡΗΣΗ	
2	Προσλήψεις προσωπικού	ΕΚΤΕΛΕΣΤΗΚΕ		ΕΝΙΣΧΥΣΗ ΕΣΩΤΕΡΙΚΟΥ ΕΛΕΓΧΟΥ
3	Προστασία προσωπικών δεδομένων	ΔΕΝ ΕΚΤΕΛΕΣΤΗΚΕ	ΣΥΝΤΑΞΙΟΔΟΤΗΣΗ ΔΙΕΥΘΥΝΤΗ ΠΛΗΡΟΦΟΡΙΚΗΣ	ΜΗ ΣΥΜΜΟΡΦΩΣΗ ΜΕ ΝΕΟ ΘΕΣΜΙΚΟ ΠΛΑΙΣΙΟ/ ΜΕΓΑΛΑ ΜΕΛΛΟΝΤΙΚΑ ΠΡΟΣΤΙΜΑ/ ΠΡΟΣΩΠΙΚΑ ΔΕΔΟΜΕΝΑ ΠΟΛΙΤΩΝ ΣΕ ΚΙΝΔΥΝΟ
4	Απογραφή παγίων	ΕΚΤΕΛΕΣΤΗΚΕ ΜΕΡΙΚΩΣ	ΜΕΓΑΛΟΣ ΟΓΚΟΣ ΠΑΓΙΩΝ	

#### Indicative solution I Labour Team

From the review of the outstanding issues identified in the checks on Table A/A 1,3 and 4. subsequently further actions proposed for the internal auditor:

N/A	Corrective actions (description of actions taken to address identified weaknesses)	Progress in implementation (“implemented”, “in progress”, “partially implemented” or ‘was not executed’)	Reasons for non implementation (description of implementation)	Impact (description of the impact from the implementation of corrective or not actions — if applicable)	Proposed actions
1	Revision of procurement procedures	IN PROGRESS	ΉΘΕΛΙΜΕΝΗ ΔΕΛΑΥ		Further investigation into the causes and those responsible for delay and a priority review in the current year’s control plan



2	Recruitment of staff	EXECUTED		STRENGTHENING INTERNAL CONTROL	No further energy audit completed
3	Protection of personal data	NOT EXECUTED	DIRECTOR PENSION SYSTEMS	NON-COMPLIANCE WITH THE SES INSTITUTIONAL FRAMEWORK/LARGE FUTURE FINES/PERSONAL DATA CITIZENS AT RISK	Information High Command and Control Commission for seriousness and take immediate action, because compliance dates shall be completed in May 2018
4	Inventory of assets	PARTIALLY EXECUTED	BIG VOLUME PAGION		Information from regulated on timetable for completion and further action if significant delays

## **MODULE 11. The role of the internal audit function in the assessment of risks of fraud and corruption**

The purpose of this section is the trainees to understand the role and tasks that can undertake the internal audit function as part of the overall strategy of the institution and the risks of fraud and corruption.

The module consists of two sub-modules (2), which are as follows:

### **11.1 The contribution of internal control to prevent and detect fraud and corruption**

#### **11.1.1 What will learn through the teaching sub-module # 11.1**

The sub-module is the training of trainees to actions can thus be entrusted to internal control, as a third line of defence, in relation to the mechanisms set up by the institution for tackling the risks of fraud and corruption

Objectives of the module are:

1. To understand the trainees the limits and conditions for involvement of internal audit activities to prevent, deter and detect fraud and corruption.
2. To identify how this affects the overall design and methodological approach of the internal audit function.

#### **11.1.2 In you will find the slides**

The material of specified slides from section 5.1 and Tool # 8/Ερωτηματολόγιο Control for the risks of fraud, included in the Audit Manual, which shows the link between internal control and mechanisms developed by the institution to combat fraud and corruption.

### **11.2 The role of internal auditors in the context of its comprehensive strategy for tackling fraud/corruption**

#### **11.2.1 What will learn through the teaching sub-module # 11.2**

Sub-section is aimed at enabling learners to better understand the obligations and constraints of the internal auditors in connection with their participation in the efforts for tackling the risks of fraud and corruption.

Objectives of the module are:

1. The trainees to identify concrete actions which can be undertaken internal auditors in connection with their task.
2. To familiarise themselves with the requirements of the standards contained in the international framework for professional practice of internal auditing of the IIA on the role of internal auditors in managing the risk of fraud and corruption.

#### *11.2.2 In you will find the slides*

The material of specified slides from section 5.2 and Tool # 7/Εργαλείο on fraud risk assessment within the ministry, included in the Audit Manual, which shows the link between internal control and mechanisms developed by the institution to combat fraud and corruption.

## Chapter 4. slides educational training programme

# THE OPERATION OF THE INTERNAL AUDIT IN THE HELLENIC PUBLIC ADMINISTRATION

## TRAINING PROGRAMME



# 1.INTRODUCTION



# 1.INTRODUCTION

## **Seminar agenda (1/2)**

- Introduction to Internal Control
- Egklīmatologikoí-Diereynītikoi Checks forensic audit/Esōterikós Epitheōrīseis-Éreynes/Control
- The concept of independence of Internal Audit and the relationship with the Heads of public institutions, including the political leadership and senior management staff
- Development of an effective functioning Internal Audit

# 1.INTRODUCTION

## **Seminar agenda (2/2)**

- The role of the Rules of Operation (internal audit charter of the Internal Audit Unit)
- Development plan for controls based on risk assessment and mapping
- Control valves
- Planning an audit mission
- Conduct an internal audit mission
- The role of internal auditor in the assessment of risks of fraud and corruption prevention
- In drafting the report of the internal audit



# 1.INTRODUCTION - Training schedule

OVERVIEW OF COURSE				
Day 1	Day 2	Day 3	Day 4	Day 5
Building An Effective Audit Function		Undertaking An Audit Engagement		
<p><b>1. Introduction to the Course</b></p> <ul style="list-style-type: none"> <li>Objectives</li> <li>Schedule</li> <li>Approach</li> </ul> <p><b>2. Introduction to Internal Audit</b></p> <p>2.1. Role and Objectives</p> <p>2.2. IA versus Inspection/ Investigations/ Forensic Auditing</p> <p><b>3. Defining Independence and Relationship with Administrative Management and Elected Officials</b></p> <p><b>4. Developing an Effective Internal Audit Function</b></p> <p>4.1. Role of Chief Audit Executive</p> <p>4.2. Developing a Business Case to support the implementation of Internal Audit</p> <p>4.3. Audit Committee; Scope, Activities, and maintenance</p>	<p><b>5. Role of the Audit Charter</b></p> <p><u>Group Exercise A</u>) Developing an Audit Charter</p> <p><b>6. Developing a Risk-Based Audit Plan</b></p> <p>6.1. Process to follow</p> <p>6.2. Review of tools and methods</p> <p>6.3. Approval method</p> <p><u>Group Exercise B</u>) Case study: Developing an Audit Universe (both entity and process wide)</p> <p><u>Group Exercise C</u>) Case study: Contacting a Ministry-wide Risk-Assessment and developing a Risk Based Annual Audit Planning</p> <p><b>7. Internal Controls</b></p> <p>7.1 Definitions and how to develop internal controls</p> <p>7.2 Role of Internal Audit within the Internal Control system</p> <p>7.3 Role of Internal Audit versus Internal Controls</p> <p><u>Group Exercise D</u>) Case Study: Developing Internal Controls</p>	<p><b>8. Planning an Internal Audit</b></p> <p>8.1. Overview of Steps in the Planning Process</p> <p>8.2. Creating relationship with Auditee</p> <p>8.3. Audit Objectives</p> <p>8.4. Audit Criteria and methodologies</p> <p>8.5. Terms of Reference</p> <p>8.6. Audited Entity Risk Assessment</p> <p><u>Group Exercise E</u>) Case Study: Undertake a Risk Assessment in the framework of planning the Audit Engagement</p> <p><u>Group Exercise F</u>) Case Study: Developing Audit Program and Criteria, and methodologies</p>	<p><b>9. Undertaking an Internal Audit</b></p> <p>9.1. Overview of Steps in Examination Phase</p> <p>9.2. Role of Auditor and Auditee</p> <p>9.3. Implementing Audit criteria and methodologies</p> <p><u>Group Exercise G</u>) Case Study: Analysing Data sets and developing audit conclusions</p> <p><b>10. Introduction to Fraud/Corruption Risk Assessments</b></p> <p>10.1. The role of Internal Audit in fraud/corruption prevention and deterrence</p> <p>10.2 Fraud/Corruption Indicators (individual and entity level)</p>	<p><b>11. Reporting on an Internal Audit</b></p> <p>11.1 Overview of Steps in examination Phase</p> <p>11.2 Role of Auditor and Auditee</p> <p><u>Group Exercise H</u>) Case Study: Develop report outline (story board issues)</p> <p><u>Group Exercise I</u>) Case Study: Develop Recommendations</p> <p><u>Group Exercise J</u>) Case Study: Review proposed Management Action Plan and follow up</p>

# 1. INTRODUCTION

## Training methodology

- Educational material to participants before the start of the seminar
  - OECD material developed in cooperation with the Fight Against Corruption
  - Material A
  - Other material by public bodies
- The presentation of the seminar
  - Notes for participants
- Exercises
  - 10 practical examples with collective participation for understanding of the theory
- Discussion between rapporteur — trainees
  - Interaction with Q & A on the trainees face in their working environment.

## 2. introduction to Internal Control



# Introduction of internal audit in 2.

## **What you will know at the end of that section:**

- Separation between the Internal Control System and Internal Audit function
- Definition, functions and objectives of an internal audit function
- Now the relationship of internal control with egklīmatologikoýs-diereynītikokoýs forensic audits (auditing)

# Introduction of internal audit in 2.

## **2.1 Separation between the Internal Control System and Internal Audit function**

In Greek, for the performance of both the term ‘internal control’ and the term ‘internal audit’ is often used indiscriminately on the term “internal audit”.

These two conditions, as used in the English language, are not synonymous and do not describe the same functions.

The term “internal control”, whether or not accompanied by the words ‘system’ or ‘framework’, essentially refers to the Internal Control System (ICS). On the other hand, the term “internal audit”, whether or not accompanied by the words ‘function’ or ‘activity’ refers to the operation or activity of the Internal Control (EU).

- The Internal Control System is a continuous functioning of the administration to address the risks that threaten the objectives of the organisation
- Internal Audit is an independent audit of the adequacy and quality of the individual arrangements of the Internal Control System.

# Introduction of internal audit in 2.

## **2.2 — Appointment, mission and objectives of an internal audit function**

In accordance with the IIA “Internal Audit is an independent and objective, diavevaiōtikí and advisory activity designed to add value and improve the operations of an Agency. The Agency helps to achieve the objectives of the, taking a systematic, professional approach to assessing and improving the effectiveness of governance, risk management, and internal control mechanisms’.

# Introduction of internal audit in 2.

## **2.2 — Appointment, mission and objectives of an internal audit function**

- Internal audit is a professional and independent evaluation function which provides advice on administrative procedures and practices within the ministry/agency.
- Internal Audit aims to provide assurance on the correct functioning of governance processes, risk management and control activities.
- The assurance function is crucial in the context of government efforts to enhance accountability and transparency in the functioning of public institutions and the sound management of taxpayers' money.

# Introduction of internal audit in 2.

## **2.2 — Appointment, mission and objectives of an internal audit function**

- The activities of the internal audit focused on management systems and governance, operational procedures and practices, but the integrity of financial and non-financial information.
- Results of internal audits contribute to identify priorities and to provide recommendations to improve the efficiency of public institutions.
- The internal audit provides important services, such as detection and prevention of fraud, the control of the system of internal control and monitoring of compliance with the legislation and policies.



# Introduction of internal audit in 2.

## **2.3 The Egklīmatologikoí-Diereynītikoi checks forensic audit with regard to the Internal Audit and the Epitheōrīseis-Éreyne**

The environmental surveillance in Greece consists of five main types of bodies/institutions and activities: **the Ministerial Internal Audit Units, the Colleges Epitheōrīsīs-Elégchoy, Court of Auditors, control activities that are provided by the State General Accounting Office, which is the structure of the Ministry of Finance and the Secretariat-General for the Fight against Corruption (Fight Against Corruption), under its founding Law is responsible to provide guidance and to ensure that skills development and monitoring of the internal audit function.**

# Introduction of internal audit in 2.

## 2.3.1 Depending on the body providing audit it is Internal and External audit:

Εξωτερικός Έλεγχος



Εσωτερικός Έλεγχος

Οι Εξωτερικοί Ελεγκτές ή τα Ανώτατα Ελεγκτικά Όργανα (SAIs), αναφέρονται στο Νομοθέτη ή στη Βουλή (και έμμεσα στην Κοινή Γνώμη). Τα SAIs αναλαμβάνουν:

- Κανονιστικούς Ελέγχους, με επίκεντρο την οικονομική ευθύνη και την αξιολόγηση των χρηματοοικονομικών συστημάτων και συναλλαγών. Την αξιολόγηση των λειτουργιών του συστήματος εσωτερικού ελέγχου, καθώς και την ακεραιότητα και ορθότητα των αποφάσεων της Διοίκησης των δημόσιων φορέων.
- Ελέγχους Απόδοσης που αξιολογούν την οικονομία, την αποδοτικότητα και την αποτελεσματικότητα της λειτουργίας των φορέων
- Αξιολογήσεις της αποτελεσματικότητας της λειτουργίας του Εσωτερικού Ελέγχου ως δομικού στοιχείου του συστήματος εσωτερικού ελέγχου

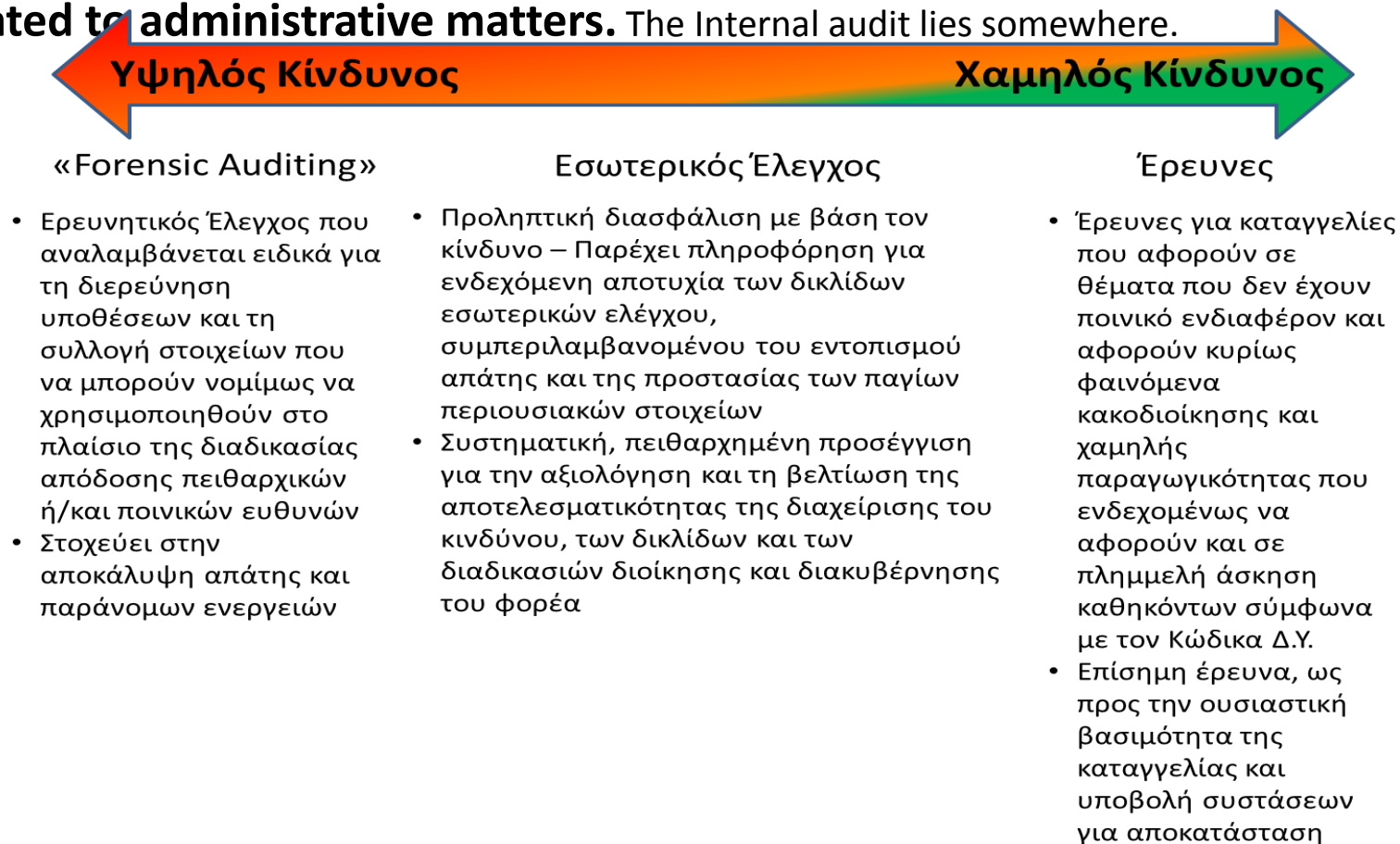
Οι Εσωτερικοί Ελεγκτές εργάζονται για λογαριασμό και αναφέρονται στην ελεγχόμενη οντότητα (διαχειριστικά στη Διοίκηση και λειτουργικά σε αυτούς που είναι επιφορτισμένοι με τη Διακυβέρνηση, όπως μια Επιτροπή Ελέγχου).

Η Διοίκηση συχνά εγκαθιστά μια λειτουργία εσωτερικού ελέγχου ως μέρος του συστήματος εσωτερικού ελέγχου, προκειμένου:

- Να εξετάσει και να συνεισφέρει στη συνεχιζόμενη αποτελεσματικότητα της δομής του συστήματος εσωτερικού ελέγχου, και
- Να αναθεωρήσει, αξιολογήσει και αναφέρει επί της επάρκειας των δικλίδων ελέγχου και ως εκ τούτου, ο Εσωτερικός Έλεγχος δεν αναλαμβάνει την υλοποίηση συγκεκριμένων διαδικασιών που εντάσσονται στο σύστημα εσωτερικού ελέγχου, καθώς αυτό θα επέφερε συγκρούσεις με το ρόλο του ΕΕ ως υπηρεσία διασφάλισης για την επάρκεια του συστήματος εσωτερικού ελέγχου

# Introduction of internal audit in 2.

2.3.2 Depending on the level and characteristics of the risk and responsibility as distinguished epitheōrīseōn-ereynōn high-risk cases, for support for cases which may result in criminal, civil or disciplinary responsibility and referred to as “Forensic Auditing”, and investigations related to administrative matters. The Internal audit lies somewhere.



### **3. the concept of independence of internal audit and the relationship with the Heads and senior staff members of the public, including political officials**



**3. the concept of independence of internal audit and the relationship with the Heads and senior staff members of the public, including political officials**

**What you will know at the end of that section:**

- The content of the independence and objectivity of the internal audit
- The position of the internal audit function in the organisation chart of the Ministry of

### **3. the concept of independence of internal audit and the relationship with the Heads and senior staff members of the public, including political officials**

#### **3.1 The International Standards for the Professional Practice of Internal Auditing shall designate the following for internal control:**

##### **Standard 1100 — Independence and Objectivity**

The internal audit activity must be independent and internal auditors must be objective in the performance of their tasks.

##### ***What does this mean?***

Independence is the exemption conditions under threat posed by the possibility of control activities to perform internal auditing function in a non-discriminatory manner. To achieve the necessary independence in order to effectively carry out tasks regulating the activity of internal audit, the Head of Internal Audit has direct and unrestricted access to senior management and the heads and senior management of the organisation (\*).

(\*) In the case of Greek public administration include heads of public bodies (single-person bodies or Councils Administration) and judicial officials, executives, managers or staff deployed by the political leadership.

### **3. the concept of independence of internal audit and the relationship with the Heads and senior staff members of the public, including political officials**

#### **3.1 The International Standards for the Professional Practice of Internal Auditing shall designate the following for internal control:**

##### **Standard 1110 — Organisational Independence**

The Head of Internal Audit must indicate a hierarchical level within the organisation that allows the internal audit activity to fulfil its responsibilities. The Head of Internal Audit must confirm to the Heads and senior management of the Agency (the Board referred to in standards) at least annually, the organisational independence of the internal audit activity.

Ministerial Internal Audit Units reporting directly to the Minister (or the designated each time by the provisions of Reference Body).

The following Table presents some of the criteria used by the INTOSAI (\*) to assess whether an internal audit function is independent. Independence is defined as freedom from addiction, or influence or control by, another person or organisation.

(\*) It is the International Organisation of Supreme Audit Institutions, issued by the International Standards of Supreme Audit Institutions (International Standards of Supreme Audit Institutions).

### **3. the concept of independence of internal audit and the relationship with the Heads and senior staff members of the public, including political officials**

#### **3.2 Location of internal control within the institution**

The Internal Audit Service:

- It is responsible for the top management and reported to the head of a public body, and those who have a governance.
- It is established organisational outside its operational and administrative functions of the audited body.
- It is sufficiently independent of pressure in order to carry out checks and to report findings, opinions and conclusions objective, without fear of reprisal.
- Not permissible to management of internal audit to verify the operational and administrative activities for which they were responsible at an earlier date, in order to avoid any potential conflict of interest.



# 4. development of an effective functioning Internal Audit



A word cloud centered around the phrase "Internal Audit". The words are in various sizes and orientations, all in shades of blue. The largest words are "Internal" and "Audit". Other prominent words include "independent", "compliance", "risk", "add value", "effective", "improve", "efficient", "assurance", and "objective".

Internal Audit

compliance

risk

independent

add value

effective

improve

efficient

assurance

objective

# 4. development of an effective internal audit function

## **What you will know at the end of that section:**

- Roles and competences/skills of the Head of Internal Audit (Head M.E.E.) and other strains of M.E.E.
- The necessary steps to introduce the functioning of Internal Audit
- The role of the Ministry
- Quality control internal audit function

# 4. development of an effective internal audit function

## 4.1 The role of head of internal audit

The head of internal audit is responsible for providing guidance, adopting the programmes of checks, prioritisation and implementation of internal audits on the basis of a risk assessment, in order subsequently to present an independent report on the adequacy and effectiveness of risk management, control and governance processes within the Ministry. Alternatively and in the context of his specialisation, the head of the internal control and the internal audit team providing advisory services for their organisation and recommendations geared to resolving issues for the improvement of risk management, control and governance processes.

A detailed description of the tasks of Head of Internal Audit and of other members of the audit team, proposed by the OECD and presented in the relevant Chapter of the Manual of Internal Audit, episkopísoyme immediately.

# 4. development of an effective internal audit function

## 4.2 Essential capabilities/skills of the Head of Internal Audit and of other strains of M.E.E.

**A.** Skill in the implementation of internal control standards, procedures and techniques.

**B.** Skill on accounting principles and techniques. The auditors to work extensively on financial data and reports must have experience in the public accounts and budget.

**C.** Understanding the principles of administration and operation of a public body which enables inspectors to recognise and evaluate the principle of materiality and the relevance of derogations from sound business practices.

# 4. development of an effective internal audit function

## 4.2 Essential capabilities/skills of the Head of Internal Audit and of other strains of M.E.E.

**D.** Knowledge of the basic principles of administrative law, taxation, public finance, the institutional framework for public procurement and technology computer systems.

**E.** In addition, the inspectors must have the relevant skills as regards contact with the auditees and to communicate effectively both orally and in writing.

**The table below shows the competence framework to be placed on the Internal Audit Units of the Civil Service.** The definition of required staff capacities contributes to the description of tasks and the design of organisational function of the Internal Audit Units.

# 4. development of an effective internal audit function

Τομείς γνώσεων	Ικανότητες	Εισαγωγικό επίπεδο	Βοηθός Ελεγκτής	Εσωτερικός Ελεγκτής	Επικεφαλής Εσωτερικού Ελέγχου
Τεχνικές δεξιότητες	<ul style="list-style-type: none"> <li>Κατανόηση του πλαισίου IPPF</li> <li>Ειδήμων διακυβέρνησης, κινδύνων και ελέγχου</li> <li>Κριτική σκέψη</li> <li>Μεθοδολογίες έρευνας</li> <li>Εξειδίκευση σε ένα τομέα (λογιστική, οικονομικά, στατιστική, κλπ.)</li> </ul>	64%	39%	24%	13%
Επιχειρησιακές δεξιότητες	<ul style="list-style-type: none"> <li>Στρατηγική</li> <li>Διάρθρωση του οργανισμού</li> <li>Προϋπολογισμός</li> <li>Διαχείριση έργων</li> <li>Διαχείριση της απόδοσης</li> </ul>	16%	24%	25%	25%
Ικανότητες των ανθρώπων	<ul style="list-style-type: none"> <li>Επιρροή</li> <li>Διαπραγμάτευση</li> <li>Λήψη αποφάσεων</li> <li>Επικοινωνία</li> <li>Ικανότητες διαχείρισης ανθρωπίνων πόρων (πρόσληψη, επιλογή, τοποθέτηση και παραμονή των εξειδικευμένων στελεχών)</li> </ul>	14%	21%	25%	23%
Ηγετικές ικανότητες	<ul style="list-style-type: none"> <li>Ανάπτυξη ομαδικού πνεύματος</li> <li>Προετοιμασία και καθοδήγηση</li> <li>Παρακίνηση προς υψηλές επιδόσεις</li> <li>Κινητοποίηση και έμπνευση</li> <li>Διαχείριση των αλλαγών</li> </ul>	6%	16%	26%	39%

# 4. development of an effective internal audit function

## 4.3 Develop a practical example establishing internal audit function

### Key initial steps

The first time a running-in period is essential. The following 21 steps help in establishing the operation.

1. In cooperation with the competent departments of the Ministry of katanoíste the legal basis for the establishment of the internal audit function, the scope, the responsibilities and powers.
2. Create channels of communication with the Head of Organisation and introduce a continuous programme of meetings with them, as well as channels of communication with the Secretariat-General for the Fight Against Corruption.
3. Introduce professional relations with all of the senior management and find out the Ministry's ergásies and participating in meetings.

# 4. development of an effective internal audit function

## 4.3 Develop a practical example establishing internal audit function

4. Understand and make the application of the auditing standards of the IIA and the future development of the internal audit function.
5. Familiarise yourself with the agency's system of internal control and audit within the traditional administration of an organisation, such as that of COSO 2013 (IC-IF) \*, and the system of Public Internal Control (PIC) used in many EU countries.
6. Become a member of the Institute of Internal Auditors (ETF) in order to connect with the wider community control and access to sources of professional development.

(\* ) It is the most well-established worldwide Standard for Internal Control System an Agency



# 4. development of an effective internal audit function

## **4.3 Develop a practical example establishing internal audit function**

7. Estimate the needs in terms of staff and resources to ensure an efficient internal audit function and any of the main reasons for adequate staffing of the JCC.
8. Place of PBE staff with the appropriate skills and experience.
9. Meet senior management in order to find out what they expect from the internal audit function and start to identify the control environment.

# 4. development of an effective internal audit function

## 4.3 Develop a practical example establishing internal audit function

10. Promote the use of self-assessment of internal controls of the organisation to control edraio'sete a culture of acceptance of the audit to help the controlled entities are "audit preparedness" and to support the determination of the control environment, the risk assessment process and the identification of audit priorities. This activity should include the following: training of administrators on self-assessment of controls and helping with the identification of apatoymenon improvements to finding in "audit preparedness". This will also help the audit team to ascertain the procedures used, to evaluate the controls and to identify common issues for debate.

# 4. development of an effective internal audit function

## 4.3 Develop a practical example establishing internal audit function

11. Ekpaideýste senior management with regard to the role and methods of internal audit standards, the different types of audit, internal audit controls, etc.
12. Write the rules of internal control and get the approval of the management for the development of its mission, vision, basic values and a strategic plan. Start to enter the foundation for the need to create an Audit Committee, which will assist you in providing apotelesnatikṓn internal auditing services.
13. Do you perform a risk assessment including the prioritisation of risks and the recognition of those which could be tackled directly, in order to demonstrate the added value of the internal audit function. Specify the acceptable risk taking (risk tolerance).

# 4. development of an effective internal audit function

## 4.3 Develop a practical example establishing internal audit function

14. On the basis of the initial risk assessment, a draft audit action. As a minimum the preliminary draft audit action should be discussed with the external auditors to avoid duplication as much as possible.
15. Start to perform internal audits efarmozóntas draft audit action, acknowledging the fact that higher administration may need a faster implementation plan.
16. Apply a quality assurance and improvement plan (QAIP). This must be addressed as a continuous and ongoing activity.

# 4. development of an effective internal audit function

## 4.3 Develop a practical example establishing internal audit function

17. Identify the training needs and the individual programmes, training of staff on the basis of a procedure for the evaluation of existing skills and acquiring ypostīríxte epaggelamtikón certifications such as the CIA, CGAP, CISA, CFE, CPA, etc.
18. Introduce a system of continuous communication and provision of information between the internal audit function and the heads and staff of ministries, including continuous promotion of internal control. This entails the creation of communication tools that will describe the role and responsibilities of internal audit as well as findings from audit reports according to the rules of the “Open Governance and data protection.

# 4. development of an effective internal audit function

## **4.3 Develop a practical example establishing internal audit function**

19. Introduce a monitoring framework (including the creation of a database to check the implementation of the audit plan of action and any corrective amendments) to ensure the presence of the audit and to communicate its contribution to achieving the objectives of the organisation.
20. Create relationships with external auditors to ensure the effective provision of independent assurance services within the organisation.
21. Create links with the wider community control with a view to promoting continuous improvement and innovative thinking.

Therefore, 2 important tools for the more efficient operation of the internal audit are the following:



# 4. development of an effective internal audit function

## 4.4 Committee on: Objective and activities

Although not currently applicable in Greece, it would be important to consider the establishment of audit committees in ministries. In accordance with international practice, the audit committee is responsible for the monitoring, supervision and assessment of the tasks and responsibilities of the administration, internal and external auditors, since those tasks and responsibilities related to the control procedures of the Agency's work.

The Committee on Budgetary Control is also responsible for finding a satisfactory solution to all major issues reported by the Internal Audit Unit, the external auditors and other oversight bodies of the Public Administration.

Finally, the audit committee shall be responsible for reporting any important matter concerning the control procedures of the Agency.



# 4. development of an effective internal audit function

## 4.4 Committee on: Objective and activities

### Commission Control of the Ministry (ERI)

The ERIs should be independent and should be composed of senior officials of the Administration, plus one or two external members from institutions such as the Court of Auditors or Colleges epitheórīsīs- Control.

These Committees should provide impartial advice and recommendations to the Head of Agencies on the adequacy and quality assurance activities and adequate and proper functioning of the risk management system, the framework and the control procedures and the governance system of the body. These Committees should meet four times a year.

The Control Committees together with the internal audit function are important safeguards internal control in the Internal Control System of the Ministry.

# 4. development of an effective internal audit function

## 4.4 Committee on: Objective and activities

### Commission Control of the Ministry (ERI)

Need to draft rules of EVS, the main subjects which will include:

- The supervision of the functioning of the Ministry of Internal Audit
- Examination of the proposed annual control plan for the functioning of Internal Audit, prepared under registration and risk assessment
- The reception and evaluation together with the senior management of the Annual Summary Report Assurance.

# 4. development of an effective internal audit function

## 4.5 Quality control internal audit function

In accordance with the International Standard 1300 — Programme and Quality Improvement Diavevaiōsīs The Head of Internal Audit must develop and maintain a quality assurance and improvement programme of the internal audit function’.

Whereas according to Standard 1310 — Requirements of the Quality Improvement Programme Diavevaiōsīs and “quality assurance and improvement programme must include both internal and external assessments’.

# 4. development of an effective internal audit function

## 4.5 Quality control internal audit function

Internal ratings (Standard 1311) should include:

- On-going monitoring of the performance of the internal audit function.
- Periodic self-assessments or assessments by persons within the organisation with sufficient knowledge of internal audit practices.

# 5. the Rules of Procedure (Statute) of the Internal Audit



# 5 Internal Audit Rules of Procedure

## **What you will know at the end of that section:**

- What is the role of Internal Audit Procedure
- How to create the Operating Rules of Internal Audit in your organisation

# 5 Internal Audit Rules of Procedure

## **5.1. role of the Operating Rules of the Internal Audit**

### **Standard 1000 — Purpose, Jurisdiction and Liability**

“The purpose, jurisdiction and responsibility of the internal audit function should be formally defined in an approved by the Heads and senior management of the Agency Rules of Procedure (Statute), in accordance with the Mission of Internal Audit and the mandatory elements of the International Training Framework (Fundamental Principles for the Further Implementation of Internal Auditing, the Code of Ethics and the Standards Definition of Internal Auditing). The head of internal audit should revise the Rules of Procedure (Statute) internal control on a regular basis and make it into account the Chief Observer and the senior management of the Agency for approval’.

# 5 Internal Audit Rules of Procedure

## **5.1. role of the Operating Rules of the Internal Audit**

The Rules of Procedure of the internal audit is an official document:

- shall define the purpose, authority and responsibility of the internal audit function
- define the position of the internal audit function within the organisation
- allow access to records, personnel, and relevant to the performance of the tasks and functions of the body



# 5 Internal Audit Rules of Procedure

## **5.2 How to set up the Operating Rules of Internal Audit in your organisation**

### Standard Operating Procedure

To facilitate the creation and standardisation of rules, the Internal Audit Manual contain proposed standard Operating Rules.

The first 7 fields should be present in all operating rules stipulate.

# 5. the role of the Rules of Procedure (Statute) of internal control

## **Group Work A) Developing an Operating Rules of Internal Audit — 30 minutes**

Chōristeíte 2 groups

1. Please check for the 10 Statute Proposed OECD and then 2 panels with one representative to reply briefly to the following questions:

### **A. Group**

- What is the purpose, context and the guidelines set out in the Rules of Internal Auditing in a State Agency?
- What is the purpose, tasks and scope of Internal Audit in accordance with the Statute?

### **B. Group**

- What are the roles and responsibilities of the bodies involved in the drafting and approval of the Statute?
- What are the duties of Head of Internal Audit (accountability), how the independence and objectivity of the Internal Audit, what is the power in the organisation, and what are the activities may not be involved?

# 6. development plan under registration checks and risk assessment



# 6. development plan under registration checks and risk assessment

**What you will know at the end of that section:** What is the development plan audit action based on risk assessment (RBAP)

- What is the risk assessment process and why is it important for planning the audit action
- What are the main steps for preparing the audit action plan based on the risk assessment
- The methodology development plan of checks on the basis of the risk assessment
- Authorisation procedure and communication action plan audit

# 6. development plan under registration checks and risk assessment

## 6.1 Then example flow diagram for the preparation of a programme of risk-based controls

The following flow chart reflects the main steps for the drawing up and adoption of a programme of verification missions under registration and risk analysis.

**INTERNAL AUDIT UNIT**

**ADMINISTRATION —  
COMMISSION INSPECTION**

**A CONTROLLED SECTION**

**Analysis by activity — Identify  
areas in high risk areas**

**Prioritising risk areas by degree  
of risk**

**Assessment of the level  
of per region**

**Assessment of opportunities of  
Medical Boards Testing in  
accordance with staffing**

**Identification of areas for  
inspection**

**Drawing up and submission of the  
annual action programme  
administration**

**Discussion of the programme  
with the Administration — Audit  
Committee. Adoption**

**Finalisation of the programme.  
Notification to the Administration**

**Adoption of Annual Programme**

**Information for auditors for the  
approval of the annual programme**

# 6. development plan under registration checks and risk assessment

## 6.1 What is the development of an audit plan based on risk assessment

Drawing up the annual programme constitutes the essential function of the Internal Audit Unit. It is the starting point and at the same time the driver of the proper functioning and the status of the unit. The key steps in the development of the audit plan based on risk assessment are:

- Registration of the organisation
- Risk assessment
- List of risks (risk-register) and a risk map)
- Drawing up the annual audit plan on the basis of risks and availability in working hours of each unit
- Plan approval by Commission and any official appointed as Body Reference.

# 6. development plan under registration

## checks and risk assessment

### 6.1 What is the development of an audit plan based on risk assessment

Internal Audit shall establish and implement a plan of audit engagements on the basis of a risk analysis.

The spotlight consists of ensuring that this includes:

- Any risks or problems with control activities identified by the administration or the external auditors
- Annual audits relating to the procedures for financial management and submission of financial statements to the GAO
- Governance processes, day-to-day operation and the provision of services to citizens and businesses, based on the mission and objectives of the body



# 6. development plan under registration

## checks and risk assessment

### 6.1 What is the development of an audit plan based on risk assessment

In accordance with the International Standards for the Professional Practice of Internal Auditing 2000 & 2010

“The chief audit must manage effectively the internal audit function to ensure that adds value to the organisation. **The head of internal audit must draw up a control plan based on risk assessment, to determine the priorities of the internal audit function, in line with the purposes of the organisation.** To better assess the risks the administration should periodically conduct “Evaluation Κινδύνων-Risk Assessment”.

# 6. development plan under registration checks and risk assessment

## 6.1 What is the development of an audit plan based on risk assessment

What is the risk?

The risk refers to the effect of uncertainty on objectives. Is an expression of the likelihood and impact of an event with the potential to affect the achievement of the objectives of an organisation. Therefore:

$$\mathbf{RISK = LIKELIHOOD \times IMPACT}$$

Determining the risks in each institution, as well as potential consequences can be exploited information collection tools, including interviews, surveys, meetings and seminars for collecting additional data.

# 6. development plan under registration checks and risk assessment

## **6.2 What are the main steps for preparing the audit action plan based on the risk assessment**

In practice, the Head of Internal Audit function in cooperation with his team, prepares the Audit Plan.

It is proposed to be drawn up until the 15th day of December of the year preceding the beginning of the reference period of the plan, which refers to Term (3 years) allocated to short-term (annual).

# 6. development plan under registration

## checks and risk assessment

### **6.2 What are the main steps for preparing the audit action plan on the basis of a risk assessment:**

- The first step consists of the identification of all possible controlled entities/functions within the organism, constituting the so-called “Environment” (see Chapter IV of the Internal Audit Manual). Examples of determining the Environment Control at the level of organisational units/entities and functions will be provided through the Collective Work B and C, which will follow.
- The second stage involves the recording of all potential hazards associated with the control environment.
- The third stage should set priorities, the importance of the risks and relevant diagram (explained below).

# 6. development plan under registration checks and risk assessment

## 6.2 What are the main steps for preparing the audit action plan on the basis of a risk assessment:

- The fourth stage involves the formation of inspection missions on the basis of the risks identified at an earlier stage, taking into account issues that need to be addressed as a matter of priority.
- Fifth, approval of the plan and ensure the necessary resources for the implementation of the audit plan of action, and
- The sixth step reported on the progress of implementation and the challenges with the implementation of the project.

# 6. development plan under registration checks and risk assessment

## 6.3 Methodology development plan of checks on the basis of the risk assessment



# 6. development plan under registration

## checks and risk assessment

### 6.3 Methodology development plan of checks on the basis of the risk assessment

The risk-mapping includes a table with the examination of the possible impact of a hazard in relation to the estimated probability of occurrence of a risk.

**ΑΝΤΙΚΤΥΠΟΣ** : Ποιος είναι ο αντίκτυπος του κινδύνου αυτού στην ικανότητα του οργανισμού να επιτύχει τους στόχους του;

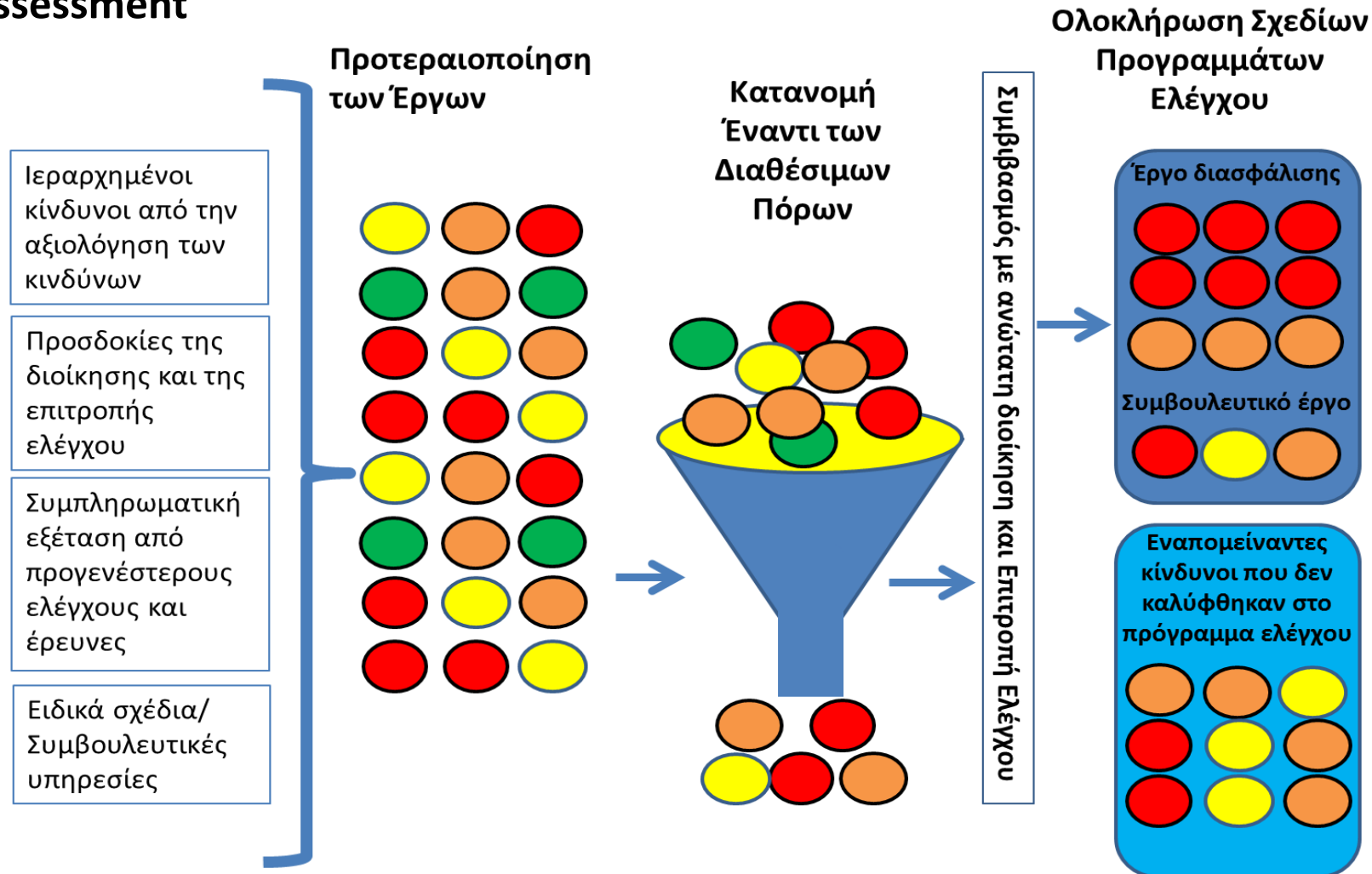
- **Υψηλός Κίνδυνος** – οι στόχοι και η αποστολή του οργανισμού τίθενται σε σημαντικό κίνδυνο
- **Χαμηλός Κίνδυνος** – ο έλεγχος των περιοχών αυτών θα έχει μικρή προστιθέμενη αξία

ΑΝΤΙΚΤΥΠΟΣ	Μέγιστη					
	Πολύ Υψηλή					
	Μέτρια					
	Χαμηλή					
	Αμελητέα					
		Πολύ Σπάνια	Σπάνια	Μέτρια	Πολύ Πιθανό	Σχεδόν Βέβαιο
		ΠΙΘΑΝΟΤΗΤΑ				

**ΠΙΘΑΝΟΤΗΤΑ** : Είναι σίγουρο ή απίθανο να επέλθει ο κίνδυνος;

# 6. development plan under registration checks and risk assessment

## 6.3 Methodology development plan of checks on the basis of the risk assessment





# 6. development plan under registration

## checks and risk assessment

### 6.3 Methodology development plan of checks on the basis of the risk assessment

- The available Hours of the Audit Panel (D $\bar{O}$ EO) shall be calculated as follows:

$$\text{D}\bar{\text{O}}\text{EO} = \text{Working days} - \text{Days absent (illness)} \& - \text{Public holidays}$$

- The inspection plan shall be drawn up by the Head of internal audit function in cooperation with the other audit staff and may be reviewed.
- The plan shall be monitored by the Head of the internal audit function, inform the Commission quarterly on the state of implementation.

# 6. development plan under registration checks and risk assessment

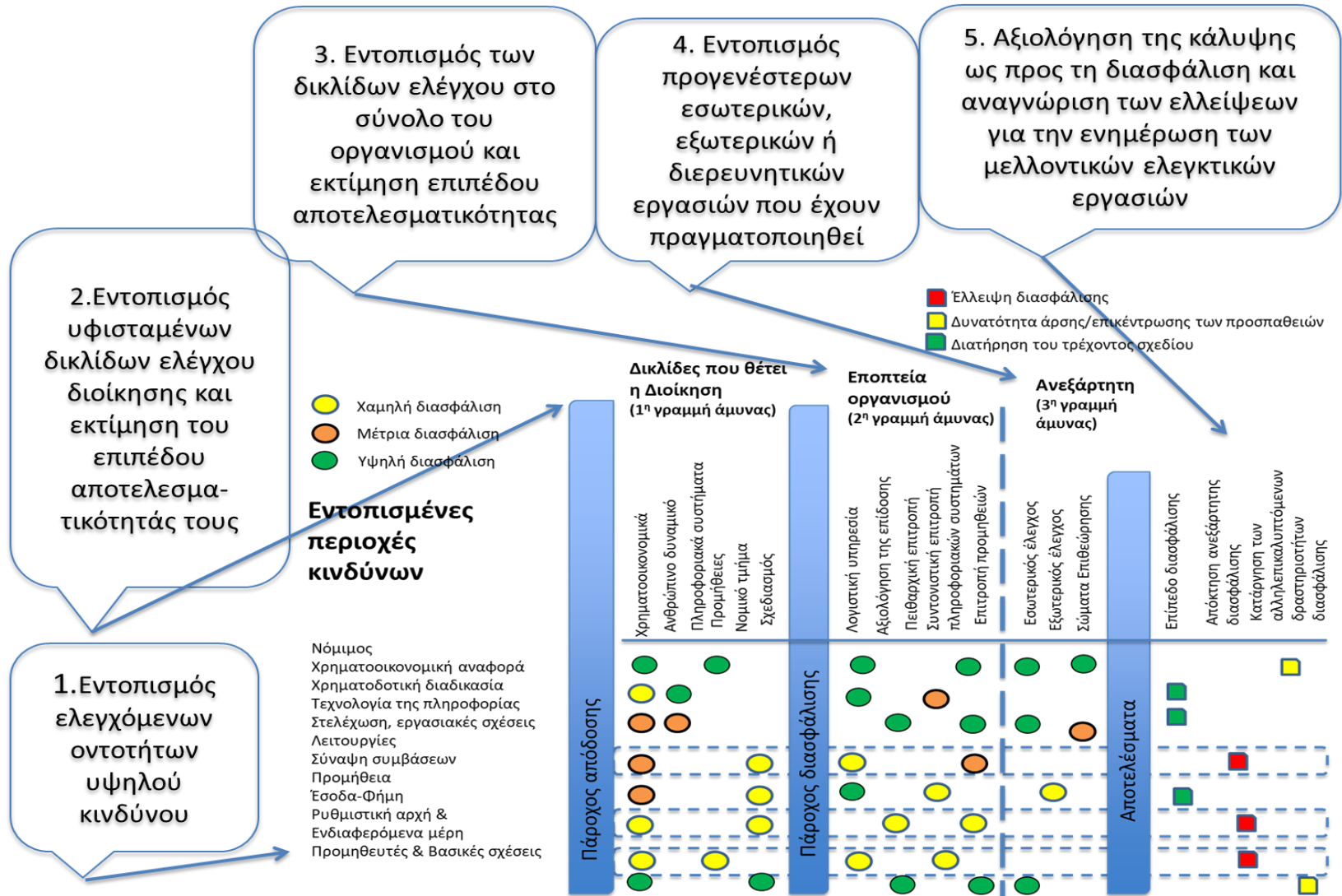
## **6.3 Methodology development plan of checks on the basis of the risk assessment**

When establishing the internal audit plan, account must be taken of all the claims of senior management and the internal audit function's ability to rely on the work of the other internal and external providers of assurance.

The sketch below shows an example of a project and ensure that key stages.

# 6. development plan under registration checks and risk assessment

## 6.3 Methodology development plan of checks on the basis of the risk assessment



# 6. development plan under registration checks and risk assessment

**6.3 Methodology development plan of controls on the basis of a risk assessment:** The services included in the inspection plan can be classified in three areas:



# 6. development plan under registration checks and risk assessment

## **6.4 Consent procedure and communication action plan audit**

In accordance with Standard 2020 “the head of internal audit must notify the design for the internal audit function and resource requirements, including significant interim changes, to senior management and the head of the agency, for review and approval’.

# 6. development plan under registration

## checks and risk assessment

### **6.4 Consent procedure and communication action plan audit**

- The adoption of the 3 year and the annual inspection plan will be done by the Audit Committee and any official designated Body Reference.
- Proposed control plan for Analytical Quarterly and pension, to be established by other management staff of the internal audit function and will be authorised by the Head, following the adoption of the annual plan and within 15days from the start of the first month of the quarter concerned.

# 6. development plan under registration

## checks and risk assessment

### **6.4 Consent procedure and communication action plan audit**

If the proposal for a Quarterly detailed plan for each audit identified in this:

- The head of the audit
- Members of the audit team
- The timetable for implementing the control

In Quarterly Analytical spotlight audits and follow-up audits may be foreseen (by sending a questionnaire) on findings of previous audits High Risk.

# 6. development plan under registration checks and risk assessment

**Group Work B) Case Study:** Developing a control environment (organisational unit/body functions/responsibilities and procedures)

30) — Chōristeíte into 3 groups. One representative of each Group will answer the questions of the working group B

I. Public information indicator functions:

FUNCTIONS
Public revenue collection
Human resources management
Financial management (planning and execution, PCs)
Control of natural and legal persons
Supplies
Monitoring of the implementation of the regulatory framework
Record keeping

CUSS  
the

(record 2) and 2 operational support



# 6. development plan under registration

## checks and risk assessment

**Group Work B) Case Study:** Developing a control environment (organisational unit/body functions/responsibilities and procedures)

II. Information indicative public organisations:

PROCEDURES	
On the basis of records of licence	
Action Grants	
Budget drafting Directorate-General for Financial Services	of trol
Accounting requirements by legal and natural persons	
Repayment supplier	

# 6. development plan under registration

## checks and risk assessment

**Group Work B) Case Study:** Developing a control environment (organisational unit/body functions/responsibilities and procedures)

III. Is given in the following slides extract of Agencies and Bodies of the Ministry of Finance by the updated register SERVICES AND BODIES of the Hellenic administration (notification 6/2017). Specify the control environment, if controlled only:

- 1st panel: General and specific secretariats within Ministry
- 2nd panel: Legal persons under public law and public limited companies within the State
- 3rd panel: Private legal entities outside the public including societies anonyme

Discussion on remaining supervised bodies which do not fall into these categories.

# 6. development plan under registration checks and risk assessment

## MINISTRY OF FINANCE

### A. SERVICES AND BODIES IN THE PUBLIC SECTOR

#### I. GENERAL SECRETARIATS

1. Secretariat-General for IT Systems and Administrative Support
2. Secretariat-General for Economic Policy (ref. 53 of Law N.4305/2014)
3. Secretariat-General for Fiscal Policy (ref. 53 of Law N.4305/2014)
4. general Secretariat for Public Property (No 20 of Law N.3965/2011)

#### II. SPECIFIC POLITICAL/ADMINISTRATIVE SECTORS

1. special Secretariat for Financial and Economic Crime Unit (SDOE)  
(the Special Secretariat for Public Corporations and Organisations was repealed by the παρ.2.α. the Sixth Article of Law N.4079/2012 (GG I 180))

#### III. SPECIAL DECENTRALISED SERVICES

- a).-Eidikís Secretariat for Financial and Economic Crime (SDOE)
  1. specific Audit Directorate of National and Community Expenditure and Fight against Fraud and Corruption

#### IV. REGIONAL SERVICES

- a).- Secretariat-General for Public Property  
Regional Directorates for Public Property (7)
- b).-Eidikís Secretariat for Financial and Economic Crime Unit (SDOE)  
Regional Operational Directorates Financial and Economic Crime (6)

# 6. development plan under registration checks and risk assessment

## MINISTRY OF FINANCE

### V. EXTERNAL SERVICES

1. permanent Representation of Greece to the Organisation for Economic Cooperation and Development (MEA-O.O.S.A.)

### VI. STATE LEGAL COUNCIL

(single collective body of the State and a particular public authority).

### VII. LEGAL PERSONS GOVERNED BY PUBLIC LAW

1 Deposits and Loans Fund (T.P.kD.) (N.1608/1919)

2 Commission Olympion and Endowments.

3 Management Agency (PDMA) (N.2628/1998)

50Υπ. Administrative Reconstruction/Γ.Δ.Μ.Π.&Η.Δ./Δ.Ο.Μ./Τμ. Organisation Structures and Evaluation

4. Committee for Accounting Standardisation and Audits (E.L.T.E.) (Law 3148/2003 & Article 36 (N.4170/2013)

6. Varvakeios Foundation (shared supervision by the Ministry For Education, Research and Religious Affairs)

7. Elliniki Aeroporiki Viomichania Pagion (No (No 16 of N.2789/2000) functioning)

(the School education of officers of the Ministry of Finance (S.E.Y.Y.O.)

repealed by 30.6.2011, as an independent legal person and merged

with the National Centre for Public Administration and Local Government, in accordance with No 3 of N.3895/2010. By the provisions of Art. 1 of the same law removed the Special

Emergency Response Fund (E.T.A.E.A. (PD) 227/2007)

on 1.1.2011 the National Social Cohesion Fund (E.TA.K.S.)

(N.3631/2008) by 8.12.2010.

# 6. development plan under registration checks and risk assessment

## MINISTRY OF FINANCE

### VIII. PRIVATE LAW LEGAL PERSONS

1. economic and Social Committee (OKE). [L.D. 178/2000]

### IX. PUBLIC LIMITED COMPANIES (AES)

1. Hellenic Aviation Industry (HAI) S.A. (N.43/1975)

1.1 EMC Hellas S.A.

2. public Limited Company AE (Corinth Canal A.E.DI.K) (N.1067/1980)

3. Hellenic Vehicle Industry S.A. (ELVO S.A.)

Hellenic Saltworks SA 4. (N.1822/1988)

(the Public Corporation of Securities S.A. (DEKA) (N.2526/1997)

paragraph repealed 9 of 50 of Law N.3943/2011)

(Agency for Public Supplies Management (ODDY S.A.) (PRESIDENTIAL DECREE 413/1998)

repealed by the GG II 2742/2011)

### b. ENTITIES OUTSIDE THE PUBLIC SECTOR

#### I. LEGAL PERSONS GOVERNED BY PUBLIC LAW

Hellenic Capital Market Commission (N. 1. 1969/1991)

(the Private Insurance Supervisory Committee (EPEIA) was repealed by Article 1

N.3867/2010)

#### II. PRIVATE LAW LEGAL PERSONS

1. the Deposit and Investment Guarantee Fund (TEKE) (Law 3746/2009  
& N.4370/2016)

2. Institute of Certified Public Accountants (S.O.E.L. (No) 75  
N.1969/1991) (Independent Experts' Forum) (supervised by the  
"Committee for Accounting Standardisation and Audits")

# 6. development plan under registration checks and risk assessment

## MINISTRY OF FINANCE

### 3. guarantee Fund Private Life Insurance

51Υπ. Administrative Reconstruction/Γ.Δ.Μ.Π.&Η.Δ./Δ.Ο.Μ./Τμ. Organisation Structures and Evaluation

Chapter synegyitikó. 4 Athens

(N.3078/1954 and N.2533/1997) (supervised by the Commission

Capital market')

### 5. supplementary accident Motor Insurance Liability

(the Institute of Certified Valuers (SOE) (Law 820/1978) was repealed by the

subparagraph C.11 and C.12) (c) of N.4152/2013)

## III. PUBLIC LIMITED COMPANIES (AES)

### 1. Greek Exchanges Group Holding Company S.A. (Hellenic Exchanges S.A. (No)

51 N.2778/1999)

#### 1.1. Athens Stock exchange SA

Thessaloniki Centre of the Stock Exchange in 1.2.

#### 1.3. company Payment Transactions Athens Stock Exchange S.A.

### 2 General Mining and Metallurgical Company Larko AE

(G.M.M. H.E. LARCO)

### 3. Greek Land Utilisation and Management Company — Greek

Airport S.A. (ref. 42 of N.3943/2011) (N.4422/2016)

### 4. Greek Assets Holding Company S.A. (ref. 184

N.4389/2016)

#### 4.1 Financial Stability Fund (N.3864/2010)

# 6. development plan under registration checks and risk assessment

## MINISTRY OF FINANCE

4.2. the Hellenic Republic Asset Development Fund S.A. (ref. 1 N.3986/2011)

4.3. company Akiniton Dimosiou AE (ET.A.D. S.A.) (GG II 2779/2011)  
(shared supervision with IOs. Tourism) (excluding with 21 of Law 3878/2010)  
(the company from absorption of Mortgage Company Public S.A. the company Ellinika Touristika Akinita A.E.)

4.4. company Public A.E. (ref. 197 of Law N.4389/2016)

## IV. LEGAL PERSONS DIFYOYS NATURE

1 Bank of Greece (an independent legal person “dual nature” entrusted with public functions)

1.1. the Insurance Guarantee accidents from Motor Vehicle Liability supervised by the Bank of Greece;

## V. NATIONAL BEQUESTS

1 — Institutions. non-profit-making legal persons governed by private law

2. funds Independent Management

3 Inheritances and legacies in abeyance.

4 In support of the Greek State property.

(shared supervision by its Secretary-General Decentralised Administration, their respective areas of responsibility)

# 6. development plan under registration checks and risk assessment

**Teamwork C) Study:** Developing an annual audit plan based on a risk assessment at the level of the Ministry

30) — Chōristeíte into 3 groups.

Episkopíste Tool (see 8 — Environment Manual Control)

Allegedly after interviews with the officials of the ministry complete risk score table for activities, annexed to the next slide.

Discuss what is meant by specific scores for each activity. (implication & likelihood EPELEYSĪS)

On the basis of the results of the risk assessment suggest activities included in the audit plan of action, if you have time available for inspection for:

1th omáda- activities 3

2th omáda- activities 4

3th omáda- activities 5



# 6. development plan under registration checks and risk assessment

<b>ACTIVITIES — LEVEL 1</b>	<b>IMPACT</b>	<b>LIKELIHOOD</b>
<b>Framework Administration 1.</b>	<b>1</b>	<b>5</b>
<b>2. design &amp; Accountability</b>	<b>3</b>	<b>4</b>
<b>3 Asset Management and Resources.</b>	<b>5</b>	<b>5</b>
<b>4. management of human capital</b>	<b>3</b>	<b>4</b>
<b>5. protection of assets, information and human beings</b>	<b>3</b>	<b>3</b>
<b>6. information management and information technology</b>	<b>2</b>	<b>1</b>
<b>7 Legal services</b>	<b>1</b>	<b>1</b>
<b>Communications 8.</b>	<b>2</b>	<b>2</b>
<b>9 reception programmes and services.</b>	<b>2</b>	<b>4</b>

# 6. development plan under registration

## checks and risk assessment

**Teamwork C) Study:** Developing an annual audit plan based on a risk assessment at the level of the Ministry  
 For your convenience and the table below:

ΑΝΤΙΚΤΥΠΟΣ	Μέγιστη					
	Πολύ Υψηλή					
	Μέτρια					
	Χαμηλή					
	Αμελητέα					
		Πολύ Σπάνια	Σπάνια	Μέτρια	Πολύ Πιθανό	Σχεδόν Βέβαιο
		ΠΙΘΑΝΟΤΗΤΑ				

# 6. development plan under registration

## checks and risk assessment

**Teamwork C) Study:** Developing an annual audit plan based on a risk assessment at the level of the Ministry

Based on previous work, please fill in the annual audit plan below with the following matters:

- The audit team has 3 internal auditors
- Audits will be carried out only of the red and yellow area and the number of man days of the audit team is equal to the Total of hours of regular checks/number of audits of red & yellow area

### **ΑΣΚΗΣΗ: ΔΙΑΜΟΡΦΩΣΤΕ ΤΟ ΕΤΗΣΙΟ ΠΛΑΝΟ ΓΙΑ 3 ΕΣΩΤΕΡΙΚΟΥΣ ΕΛΕΓΚΤΕΣ**

Ανθρωποώρες (40 ώρες X 4 εβδομάδες X 12 μήνες)= .....

- Άδεια (21 X 8)= .....

- Αργίες (7 X 8)= .....

- Ασθένεια (2 X 8)= .....

Αριθμός Ελεγκτών .....

**ΔΙΑΘΕΣΙΜΕΣ ΑΝΘΡΩΠΟΩΡΕΣ =** .....[α]

# 6. development plan under registration checks and risk assessment

**Teamwork C) Study:** Developing an annual audit plan based on a risk assessment at the level of the Ministry

Πρόγραμμα Διενέργειας Ελέγχων 201X

**A. Τακτικοί έλεγχοι**

**Ώρες**

1.Πλαίσιο Διαχείρισης	-----
2.Σχεδιασμός & Λογοδοσία	-----
3.Διαχείριση Περιουσιακών Στοιχείων και Πόρων	-----
4.Διαχείριση του ανθρώπινου κεφαλαίου	-----
5.Προστασία περιουσιακών στοιχείων, πληροφοριών και ανθρώπων	-----
6.Διαχείριση των πληροφοριών και της τεχνολογίας των πληροφοριών	-----
7.Νομικές υπηρεσίες	-----
8.Επικοινωνίες	-----
9.Δήψη προγραμμάτων και υπηρεσιών	-----
<b>Σύνολο Τακτικών Ελέγχων</b>	.....

# 6. development plan under registration checks and risk assessment

**Teamwork C) Study:** Developing an annual audit plan based on a risk assessment at the level of the Ministry

## **Β. Έκτακτοι Έλεγχοι**

B1	Έλεγχοι βάσει Νομοθεσίας	0
B2	Λοιποί (10% επί των διαθέσιμων για έλεγχο ωρών)	.....
	<b>Σύνολο Εκτάκτων Ελέγχων</b>	.....

**ΔΙΑΘΕΣΙΜΕΣ ΑΝΘΡΩΠΟΩΡΕΣ ΕΛΕΓΧΩΝ** (1).....

## **Γ. Μη ελεγκτικές Δραστηριότητες**

Γ1	Ακαδημαϊκές – Επιμορφωτικές-Λοιπές δραστηριότητες	636
Γ2	Διοικητικές Δραστηριότητες	314
Γ3	Συναντήσεις XXX	201

**Σύνολο Απαιτούμενων Ωρών για μη Ελεγκτικές δραστηριότητες** (2).....

**ΣΥΝΟΛΟ ΔΙΑΘΕΣΙΜΩΝ ΑΝΘΡΩΠΟΩΡΩΝ (1)+(2)=[α]** =====

# 7. internal controls



# 7. internal controls

## **What you will know at the end of that section:**

- What do the concepts: Internal Control — Internal Audit — Internal Controls
- The model of the Three Line of Defence
- Practical example development controls

# 7. internal controls.

## 7.1 Definitions & how internal audit controls

In English, the concept of 'Internal Control' and the 'Internal Audit' is frequently used the same term — “internal audit”. However, the concepts of 'internal control' (hereinafter referred to as 'system audit') and “internal audit” (hereinafter “internal audit”) are not synonymous.

Internal audit units are encouraged to examine the quality of an organisation's internal control system.

Also when we talk about “Internal Controls” we mean (several internal control valves — a system of internal controls. **audit**).



# 7. internal controls.

## 7.1 Definitions & internal controls

Some controls are preventive and seek to prevent the occurrence of a risk (for example, a 2degree considering the PPAs prior to their final adoption), while other anichneytikís nature and the identification, as they try to determine whether a risk occurred (for example, an automatic review of all transactions above a certain amount of expenditure). Finally, others are guiding nature as they strive to avoid risk providing for specific modes of action, such as standard operational procedures.

# 7. internal controls

## 7.1 Definitions & internal controls

The table presents an overview of how the administration of a public body may use its internal audit controls relevant to achieve the organisational objectives in an efficient and effective manner.

Administrative controls shall permit	The controls of the administration protecting
<ul style="list-style-type: none"><li>• Good public administration</li><li>• Functional predictability</li><li>• Resilience</li><li>• Value for money</li><li>• Good governance</li><li>• Collective and individual leadership</li><li>• Confidence on the part of society and of officials</li></ul>	<ul style="list-style-type: none"><li>• From unwarranted surprises</li><li>• The existence of expensive gaps and overlaps</li><li>• By attracting media attention hurtful</li></ul>

# 7. internal controls

## 7.1 Definitions & how internal controls

According to the International Organisation of Supreme Audit Institutions (Organisation of Supreme Audit Institutions — INTOSAI), internal audit controls do not constitute “an event or a circumstance but for a series of actions through the activities of an organisation. These activities are carried out in all functions of the body on a continuous basis’.

Οι ελλειπείς πρακτικές διαχείρισης μπορεί να προάγουν τη διαφθορά...



- Συναλλαγές με μερτητά
- Λίγες ή καθόλου δικλίδες ελέγχου
- Διαδικασίες που βασίζονται σε έντυπη μορφή
- Απουσία πληροφοριακών συστημάτων
- Περίπλοκες διαδικασίες
- Πλήθος νόμων
- Έλλειψη διαφάνειας



# 7. internal controls

## 7.2 The Role of Internal Auditor in respect of the internal control system

The model of the Three Line of Defence helps us to better epexigísoume the division of roles and responsibilities regarding the individual functions of an Internal Control System at the level of a public body and the position of external audit bodies and supervision in Greece

### Μοντέλο Τριών Γραμμών Άμυνας (προσαρμοσμένο στην ελληνική δημόσια διοίκηση)



# 7. internal controls

## 7.2 The Role of Internal Auditor in respect of the internal control system

**First line of defence:** the officials responsible for the day-to-day functioning of the organisation and the provision of services to citizens and business, is responsible for risk management and is responsible for:

- Implementation of corrective actions to address the deficiencies in procedures and controls
- Maintenance of effective controls of managing every-day activities of internal control and internal audit
- Develop and implement policies and procedures for achievement of the entity's objectives

# 7. internal controls

## 7.2 The Role of Internal Auditor in respect of the internal control system

**Second line of defence:** The oversight function and other legal compliance

The administration establishes various risk management and compliance functions that help to create and/or the monitoring of controls of the internal audit the frontline of defence. These are:

- A central control function which provides guidance regarding policies and monitor transactions, inter alia in the following areas: financial management, procurement, information technology, security and risk management.
- The second line of defence monitor various specific risks, such as the non-compliance with the applicable laws and regulations.

# 7. internal controls

## 7.2 The Role of Internal Auditor in respect of the internal control system

**Third line of defence:** The internal auditors shall in reference to senior management and integrated assurance on the adequacy and effectiveness of internal control functions and activities, including the risk management process.



# 7. internal controls

## **7.2 The Role of Internal Auditor in respect of the internal control system**

In accordance with the International Standard 2130- Eleggikoí Mechanisms “internal audit function should help the Agency to maintain effective control mechanisms by assessing their effectiveness and efficiency and by promoting continuous improvement”.

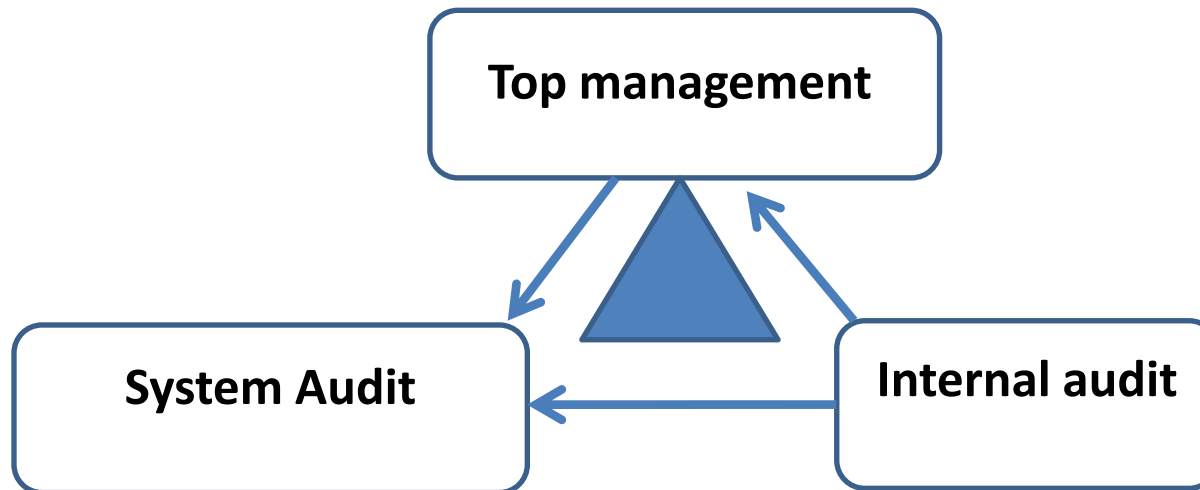


# 7. internal controls

## 7.2 The Role of Internal Auditor in respect of the internal control system

An integrated internal control system, as shown in the following figure, is separated from the internal audit activities and function.

Figure: The link between the Internal Control System, Internal Audit and High Command



# 7. internal controls

**Teamwork D) Case Study:** Developing Diklides internal control

Duration -Chōristeíte 30) into 2 groups.

Review the following slides, potential risks

A. at the level of the unit and

b. at operational level

Please fill in the table you are given a description of any risk (ideally identify new risks) and propose internal control valves, do you think that effectively address these risks.

A Member to present risks and the proposed safeguards internal audit team.

# 7. internal controls

## **Teamwork D) Case Study:** Developing Diklides internal control

### **A. Directorate for Administration (level organisational unit)**

#### **Risks:**

- Lack of supervisory powers to the supervised entities (legal persons governed by public law and legal entities governed by private law)
- Expiry of time limits for judicial redress from third parties
- Failure to complete the disciplinary investigation cases within a reasonable period
- Document leaking from the physical and electronic archive service

# 7. internal controls

## Teamwork D) Case Study: Developing Diklides internal control

### B. Supplies and services (level)

#### Risks:

- Avoid diagnostic procedure using the splitting of the contract
- Drafting tender conditions in order to benefit a particular supplier
- Receipt of lower quality products/services covered conventional
- Non-fulfilment of requirements institutional framework for direct awards to EUR 20.000. In particular:
  - A specific budget allocation registration costs (Articles 25, 26 and 49 of Law 4270/2014 and Presidential Decree 80/2016).
  - Technical description, indicative budget (Article 54 of Law 4412/2016)
  - Suspension primary request in KIMDIS (Article 11 of Law 4013/2011 Article 38 of Law 3 4412/2016)
  - Decision Analipseos volunteers (Articles 66, 67 and 68 of Law 4270/2014, Articles 2 and 3 of Presidential Decree 80/2016)



# 8. programming of Internal Audit



# 8. planning of internal audit

## **What you will know at the end of that section:**

- The steps of the programming process of the internal audit mission
- How we evaluate the risk in the context of the audit mission (unit/process/function)
- Objectives, criteria, methodologies of a consignment of internal control
- What is the reference framework for internal control of a mission

# 8. planning of internal audit

## 8.1 Overview of the steps of the process of planning an audit mission





# 8. planning of internal audit

## **8.1 Overview of the steps of the process of planning an audit mission**

Planning is the cornerstone of successful control. Proper planning enables the audit groups to define the objectives, scope, criteria and methodology.

Also, the design enables the auditor to better understand thematic field.

At the end of the planning process, the audit teams must be able to clearly express what will be checked, why and how this will be done.

# 8. planning of internal audit

## 8.1 Overview of the steps of the process of planning an audit mission

In accordance with the International Standards for the Professional Practice of Application of internal control:

- Internal auditors should develop and record a plan for each audit mission, including objectives, scope, time and resources (Standard 2200)
- Objectives should be established for each mission (Standard 2210)

# 8. planning of internal audit

## 8.1 Overview of the steps of the process of planning an audit mission

- The established scope should be sufficient to satisfy the objectives of the projects (Standard 2220)
- Internal auditors must determine appropriate and sufficient resources to achieve the binding targets on the basis of the assessment of the nature and complexity of each consignment, time constraints and available resources (Standard 2230)
- Internal controls should develop and document work programmes in order to achieve the objectives of the mission (Standard 2240)

# 8. planning of internal audit

## 8.2 Evaluating the risks of the audited unit

In the planning phase of the audit the steps followed for the risk assessment of the audited unit

### A. Start of the mission of internal control

- Data from inspection plan based on risk assessment
- Confirmation of project coordination with other assurance services (e.g. financial control)
- Notification of the test for the start of the internal audit
- Commitment of control resources
- Profiling of the audited body (next slide)
- Plan for the audit enquiry

### B. Investigation of the audit body

- Research in relation to the objectives and fields of control:
  - Preliminary evaluation of the internal control
  - Preliminary flood risk assessment
- Identification of the key sectors that will be examined in the scrutiny

# 8. planning of internal audit

## **8.2 Evaluating the risks of the audited unit**

As part of the preparation of the Control Plan on the basis of a risk assessment, the risk profile should be completed for each check.

Table Risk Assessment at the end of this profile gives definitions of risk and should be used to complete this form.

# 8. planning of internal audit

## 8.2 Evaluating the risks of the audited unit

Ενότητα 1: Προφίλ οντότητας	
Όνομα οντότητας	
Μοντέλο Παροχής Υπηρεσιών	Άμεση παράδοση, χρησιμοποιώντας τρίτους, κλπ...
Ιστορικό / Εντολή	
ΙΠΑ	Ισοδύναμα πλήρους απασχόλησης (δηλαδή: ο αριθμός του προσωπικού)
Προϋπολογισμός	
Ογκομετρικά δεδομένα	(δηλαδή: διαθέσιμες πηγές στοιχείων που περιγράφουν την οργάνωση)
Βασικοί δείκτες απόδοσης (KPIs)	
Τεχνολογίες ευρείας εφαρμογής / IMIT	
Υποβοηθητικές Πολιτικές / Νομοθεσία	
Ενότητα 2: Ανάλυση οντότητας	
<b>Σχετικοί Παρελθόντες Έλεγχοι (εσωτερικοί, εξωτερικοί - κατά τα τελευταία 2-4 χρόνια)</b>	
Ονομασία, Ημερομηνία	
Σύνδεσμοι	
Βασικά ζητήματα, Ευρήματα	
<b>Εκτιμήσεις Διακυβέρνησης - Κινδύνου – Ελέγχου</b>	
Διακυβέρνηση	
Διαχείριση Κινδύνου	
Περιβάλλον ελέγχου	
Στόχοι του Ελέγχου	

# 8. planning of internal audit

## 8.2 Evaluating the risks of the audited unit

<b>Ενότητα 3: Ανάλυση κινδύνου</b>					
<i>Κίνδυνοι: (X: Χρηματοοικονομικοί, Β: Βλάβη σε ανθρώπους, Δ: Διατάραξη υπηρεσίας)<sup>1</sup>  (Σημείωση: Δείτε τον Πίνακα Αξιολόγησης Κινδύνου παρακάτω για τους ορισμούς)</i>		<i>Πιθανότητα</i>	<i>Επίπτωση</i>		
			<i>X</i>	<i>B</i>	<i>Δ</i>
<b>Ανάλυση κινδύνου</b>					
<b>Ενότητα 4: Πιθανή Φύση της Αποστολής Ελέγχου / Εστίαση (G-R-C)</b>					
<b>Φύση</b>					
<b>Εστίαση (G-R-C)</b>					
<b>Λογική</b>					
<b>Ενότητα 5: Προκαταρκτικός Σχεδιασμός Ελέγχου</b>					
<b>Εκτιμώμενη Έναρξη</b>					
<b>Εκτιμώμενοι Πόροι</b>	<b>ΙΠΑ</b>	<b>Επαγγελματικές Υπηρεσίες</b>	<b>Ταξίδια</b>	<b>Μετάφραση</b>	

<sup>1</sup> Προσθέστε τον κίνδυνο απάτης.

# 8. planning of internal audit

## 8.2 Evaluating the risks of the audited unit

### C. Completion of the control plan and Development of Audit Programme

- Confirmation/revision of inspection plan (objectives, scope, approach, timing and resources) including the level of importance and the level of audit assurance
- Development of the audit programme
- Approval by the Head of Internal Audit of the detailed plan and the audit plan (including audit tools)
- Confirmation/Information auditee's control plan



# 8. planning of internal audit

## 8.2 Evaluating the risks of the audited unit

**ΑΝΤΙΚΤΥΠΟΣ** : Ποιος είναι ο αντίκτυπος του κινδύνου αυτού στην ικανότητα του οργανισμού να επιτύχει τους στόχους του;

- **Υψηλός Κίνδυνος** – οι στόχοι και η αποστολή του οργανισμού τίθενται σε σημαντικό κίνδυνο
- **Χαμηλός Κίνδυνος** – ο έλεγχος των περιοχών αυτών θα έχει μικρή προστιθέμενη αξία

ΑΝΤΙΚΤΥΠΟΣ	Μέγιστη						
	Πολύ Υψηλή						
	Μέτρια						
	Χαμηλή						
	Αμελητέα						
		Πολύ Σπάνια	Σπάνια	Μέτρια	Πολύ Πιθανό	Σχεδόν Βέβαιο	
		ΠΙΘΑΝΟΤΗΤΑ					

**ΠΙΘΑΝΟΤΗΤΑ** : Είναι σίγουρο ή απίθανο να επέλθει ο κίνδυνος;

# 8. planning of internal audit

## 8.2 Evaluating the risks of the audited unit

In accordance with the results of the exercise to map and assess risks at the level of the entity identified/procedures/competencies for high risk in order to proceed with planning of the audit:

### **Risk assessment for the identification of potential audit topics**

**High-risk procedures/competencies**



**Identification of subjects of control per control mission**



**Control objectives (3 to 5 per control mission)**

Detailed evaluation of selected audit topics selected on the basis of laws, policies, good practices from other public bodies or standards/control framework and governance

ENS (e.g. ISO, the NSRF, etc.)



**Audit criteria (3 to 5 per objective, focus on the key controls) Audit methodology:** How to check (method of sampling, analysis, interviews, documentary review)



# 8. planning of internal audit

## 8.3 Objectives of internal control

The audit objectives describe what it intends to achieve or deliver to the audit team. Three to five objectives per audit mission is the rule.

Examples:

- To assess whether the practical travel and relocation of a section comply with the policies and procedures of the central and regional services.
- To determine whether the practices of travel and relocation of a section have taken account of issues of effectiveness, economy and efficiency.
- To determine whether the purchasing department is organised in an effective manner.

# 8. planning of internal audit

## 8.3 Audit criteria and methodologies

Audit criteria are standards against which performance can be assessed the current conditions. Represent good or acceptable practices.

According to the rationale adopted different criteria:

- For clarification of the audit objectives
- Provide inspectors with reasonable benchmarks
- A platform for communication with management
- Create a basis for the development of the work plan and of the audit
- To help the inspectors to focus their attention detected systemic findings and observations

# 8. planning of internal audit

## 8.3 Audit criteria and methodologies

The following shape well audit criteria:

- **Understanding:** these criteria are clearly expressed and not subject to significantly different interpretations for the subjects.
- **Relevance:** contribute to the results and the conclusions are consistent with the audit objectives.
- **Reliability:** make consistent conclusions or opinions, when used by different auditors for the same circumstances.
- **Neutrality:** exemption from bias which could lead to the misleading users by reporting the findings and conclusions of the auditors.
- **Completeness:** where all the criteria, which could affect the auditor's conclusions are identified and are documented.

# 8. planning of internal audit

## **8.4 Reference Framework**

The reference framework provides an overview on the High Level control plan in order to facilitate understanding of the audit by the audited body.

The reference framework provides information on the subject, the objective, the approach and the time of the audit. The reference framework to be communicated to the auditee and presents to the Ministry.

# 8. planning of internal audit

## 8.4 Reference Framework

### Review of the Reference Framework

The document of reference framework shall ensure that the auditee is informed of:

- the objectives of the audit.
- the criteria and the subject matter,
- the audit methodology,
- the sampling method,
- responsibilities of internal audit
- the management's responsibilities,
- the manner of notification of audit data
- the timing of the audit

# 8. planning of internal audit

## 8.4 Reference Framework

Conduct breakout discussion

- The audit team should synantáei auditees to describe the audit process, the initial objectives of the audit and the scope.
- During the meeting, the auditors need to be prepared to discuss the concerns of the auditee.
- During the opening debate should be complied with in practice.



# 8. planning of internal audit

**Teamwork E) Case Study:** By undertaking an assessment of risk in planning an audit Chōristeíte 2 groups, one responsible for checking that the Financial Management unit and one for the Staff Management Unit — 30’

During the annual audit plan, priority is given to the internal control of sections (a) Financial Management, which deals with supplies and (b) Personnel Administration. Given list potential risks identified by the audit team, in planning their work.

RISK	LIKELIHOOD	IMPACT
Risk of loss of personal data of staff of the Financial Management	1	5
Risk of a delayed updating of personnel files with new elements or keeping incorrect data	3	3
Risk of unbundling Financial Management due to a lack of staff resources	3	4
A risk of non-compliance with the Rules of Conduct by staff of the Financial Management	3	3
Limited risk of Financial Management staff	5	5
Risk of low staff training Financial Management	3	4
Risk of loss of data suppliers of Financial Management of the IT system	1	3
Risk of fraud to a supplier of Financial Management (it has happened in the past similar fraud case?)	1	2

# 8. planning of internal audit

**Teamwork E) Case Study:** By undertaking an assessment of risk in planning an audit  
The two groups having choose the risks relating to their departments, using the risk assessment to  
classify chamīloy- mesaíoy- high-risk.

ΑΝΤΙΚΤΥΠΟΣ	Μέγιστη						
	Πολύ Υψηλή						
	Μέτρια						
	Χαμηλή						
	Αμελητέα						
		Πολύ Σπάνια	Σπάνια	Μέτρια	Πολύ Πιθανό	Σχεδόν Βέβαιο	
		ΠΙΘΑΝΟΤΗΤΑ					

# 8. planning of internal control

**Teamwork F) Case Study:** Developing audit programme, audit criteria and methodologies

Based on the results of the previous inspection work risks only yellow and red area, write the Monitoring Programme with the following sub-modules:

## **CONTROL PROGRAMME**

- I. Control range (to be checked)**
- II. Objectives elégchoy-Erōtīmata in the scrutiny programme (Why be checked)**
- III. Audit methodology**

The integrated control programme will be presented at the section by a member of the group.

# 9. internal audit



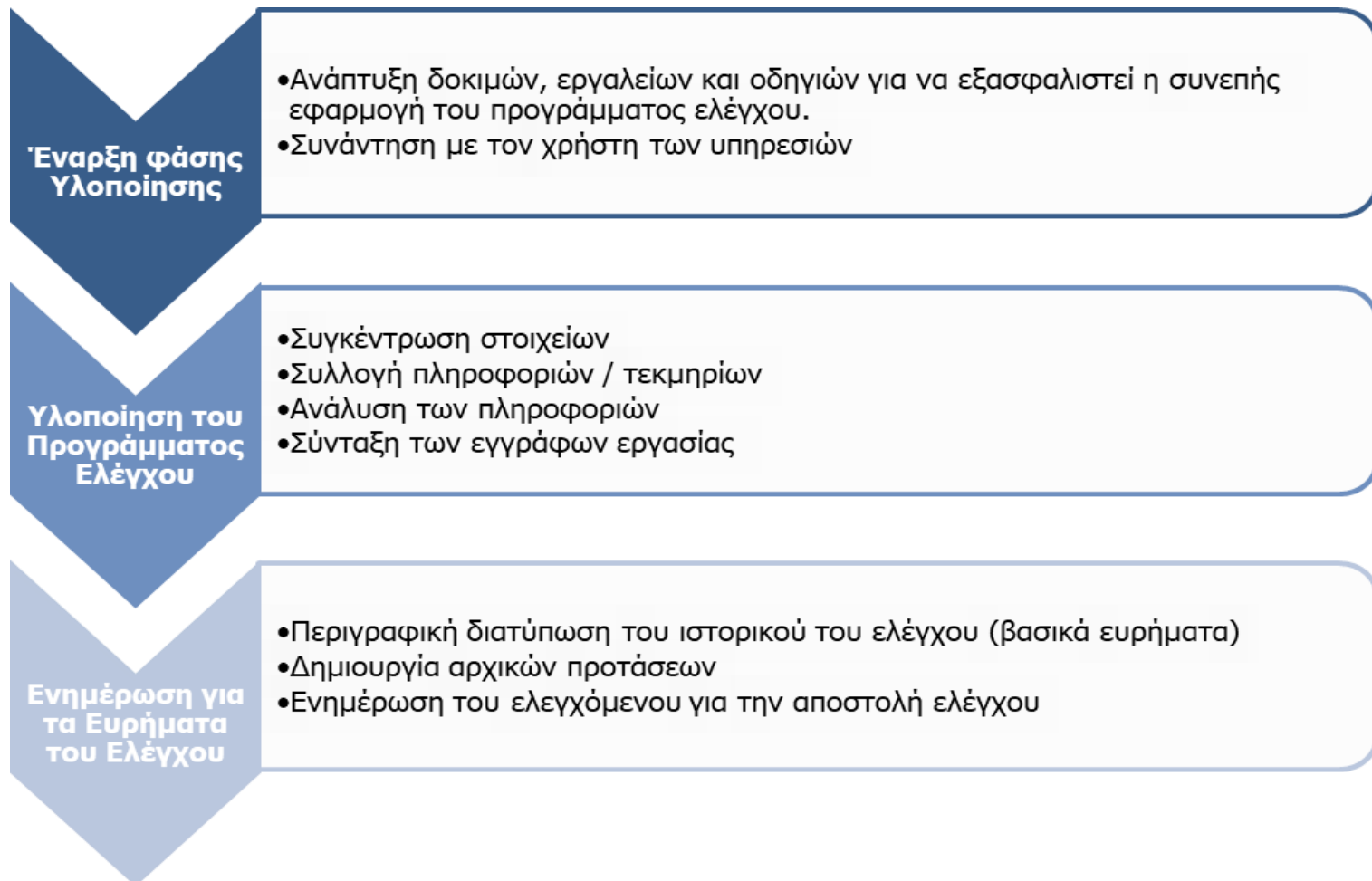
# 9. internal audit

## **What you will know at the end of that section:**

- Overview of steps in the implementation phase of an audit mission
- The internal auditor's worksheets

# 9. internal audit

## 9.1 Overview of steps in the implementation phase of an audit mission



# 9. internal audit

## **9.1 Then example flow diagram for conducting an internal audit mission**

The following flow chart reflects the key steps in the conduct of an audit engagement, the collection and evaluation of data.

**INTERNAL AUDIT UNIT**

**2**

**Distribution of audit objects to the inspectors depending on their potential,**

**Start of audit**

- **Instructions to the inspectors for data collection**
  - **Study proceedings — Decisions — laws**
  - **Study audit findings**
  - **Development of an audit programme**

**Continuous monitoring of the evolution and instructions to the inspectors by the Head**

**Meeting of controlled**

- **Evaluation of data**
- **Documentation of all discrepancies**

**3**

**ADMINISTRATION —  
COMMISSION INSPECTION**

**A CONTROLLED SECTION**

**Awareness of the heads of Departments of the forthcoming investigations by the Medical Boards Control**

- **Data collection and evaluation**
- **Discussion with auditees**
- **Clarifications**



# 9. internal audit

## 9.1 Overview of steps in the implementation phase of an audit mission

- The stage of officially starts with the approval of the reference framework.
- Stage of audit shall include the collection, analysis and evaluation of relevant information relating to the mission's objectives. During this stage, the audit team carrying out the audit programme in the following stages:

# 9. internal audit

## 9.1.1 The role of the auditor and auditee

The relationship between auditor and auditee identified through an exchange of letters, which shall specify the reference framework. The terms of reference have been analysed in the previous section and must be sent before the start of the audit with the auditee. Model letters with terms of reference is set out below.

XXXXXX  
ΤΜΗΜΑ ΕΣΩΤΕΡΙΚΟΥ ΕΛΕΓΧΟΥ  
XXXXXXXXXX, Αθήνα XXXX

Βαθμός Ασφαλείας:  
Βαθμός Προτεραιότητας:

ΑΡ./ΗΜ./ XXX / XXXXXX

Πληροφορίες : XXXXXXXX  
Τηλέφωνο : XXXXXXXX

ΠΡΟΣ: XXXX

**Περίληψη :** Ενημέρωση για Διενέργεια Ελέγχου

Σας γνωρίζουμε ότι το τμήμα Εσωτερικού Ελέγχου θα διενεργήσει σε συνέχεια του ετήσιου πλάνου ελέγχου, που έχει εγκριθεί με την από .... Αποφ. του Οργάνου Αναφοράς του, έλεγχο όσον αφορά .....

Τον έλεγχο θα πραγματοποιήσει ο/η ..... – Εσωτερικός Ελεγκτής του τμήματος, ενώ η συλλογή στοιχείων όπως και η συνεργασία με τους αρμοδίους της Διεύθυνσης σας θα διαρκέσει .... ημέρες. Στο πλαίσιο αυτό, θα ελεγχθούν μεταξύ των άλλων, .....

Κατόπιν των ανωτέρω, την .... και ώρα ..... ο/η κ. .... θα επισκεφθεί την Διεύθυνση ..... και παρακαλούμε όπως τεθούν στη διάθεσή του/της όλα τα απαραίτητα στοιχεία κ.λ.π και του/της παρασχεθούν οι απαραίτητες πληροφορίες από την Διεύθυνσή σας.

XXXXXXXXXXXXXXXXXX  
Επικεφαλής/η

Τμήματος Εσωτερικού Ελέγχου

# 9. internal audit

## 9.1.2 Applying internal control criteria and methodologies

Data collection methods vary depending on the approach used for a target.

Traditional methods of collecting data shall include:

- physical observation functions or assets (e.g. on-the-spot control),
- detailed examination of individual files/transactions on a sample basis.
- system tests;
- recalculation or verification of the calculations,
- overview and analysis of documents,
- interviews, working groups, surveys and studies,
- analysis of the information or data (e.g. analysis of the data, trends, percentages or regression analysis).

# 9. internal audit

## 9.1.2 Applying internal control criteria and methodologies

### Sampling (1/2):

- Audit sampling is designed to enable a conclusion of the population (e.g. of a prepayment) audit of a sample.
- Types of sampling:
  - Non statistical methods: Sample selected, in the auditor's judgment, etc.
  - Statistical methods: Sample based on systematic selection, random number tables (e.g. population of 100 entries for a sample of 10 records, use table

# 9. internal audit

## 9.1.2 Applying internal control criteria and methodologies

Sampling (2/2):

# 9. internal audit

## 9.2 Applying internal control criteria and methodologies

Drafting of working papers (1/3):

The sheets are documents necessary to support the objectives and the criteria of the audit mission. In accordance with IIA standard 2330, “internal auditors must document relevant information to support the conclusions and results of the project”. The working sheets must be:

- trimmed,
- accurate,
- in summary,
- complete and
- reasonable.

# 9. internal audit

## 9.2 Applying the criteria and Methodologies of Internal Audit

Drafting of working papers (2/3):

The following should be included:

- the notes of interviews, test results, the documentation relating to the results
- the reference of the basic documents (i.e. policies, procedures, flow charts, etc.)
- evidence and analysis to support the reported comments
- the significant correspondence with the audited unit
- the notification of the main findings and findings of the mission and obtaining feedback from the administration of the audited body thereon.

# 9. internal audit

## 9.2 Applying the criteria and Methodologies of Internal Audit

Drafting of working papers (3/3)

The worksheet is divided into four sections:

- analysis,
- results of investigations, dokimón—
- summary of documents
- notes the interviews.

The audit groups shall demonstrate the findings/findings under the applicable audit criteria.

The findings/findings should provide information and analysis on the causes and effects/consequences and lead to conclusions and any recommendations.



# 9. internal audit

**Teamwork G) Case Study:** Analysing data and by developing audit conclusions  
Chōristeíte 2 groups — 30)

You have won the Personnel Directorate on the evaluation of the curriculum of education/training of the Ministry for the year 2016.

Verification carried out in Directorate was designed to investigate:

1. The process of education/training programme for 2016 and the follow-up of its implementation.
2. The efficiency of the overall education and training programme and curricula, training in 2016.

On the basis of the interviews and the collection of data, which are then made within each group in the appropriate audit conclusions (the 1st group for the first group and 2 for the second).

# 9. internal audit

**Teamwork G) Case Study:** Analysing data and by developing audit conclusions  
1 rd sector — Procedure for drawing up the programme of education/training in 2016 and the monitoring of its implementation.

- Preparation of the programme of education/training, 2016, by the Directorate for Personnel, based on oral proposals for education and training of officials.
- The annual Financial Budget — total expenditure carried out without analysis and separation of direct costs for training programmes and other indirect costs of the Directorate-General for Personnel.

➤ Were the following:

Education — Budget

2015: 1,2 million. euro

2016: 1 a. euro

Education expenditure —

2016: 1,1 a. euro

# 9. internal audit

**Teamwork G) Case Study:** Analysing data and by developing audit conclusions

Field No 2 — Efficiency of education/training programme

- For the evaluation of individual training programmes the Directorate for Personnel collects questionnaires to be completed by learners and trainers, immediately after the end of each seminar and then writes to the organisational unit requested by this programme, stating the findings resulting from these questionnaires and any proposals. This letter is often remains unanswered by the competent organisational unit.
- There are no registered objectives within the ministry and/or organisational units, governing the preparation, implementation and evaluation of the training programme, although the Directorate for Personnel for its part has tools and procedures for the above, but have not yet been implemented.
- Capacity in educational, teaching hours Aithoysón Office: 5.000 hours. Actual teaching hours rooms in 2016: 4.000 hours

# 10 internal audit report.

## AUDIT REPORT

Enter your sub headline here



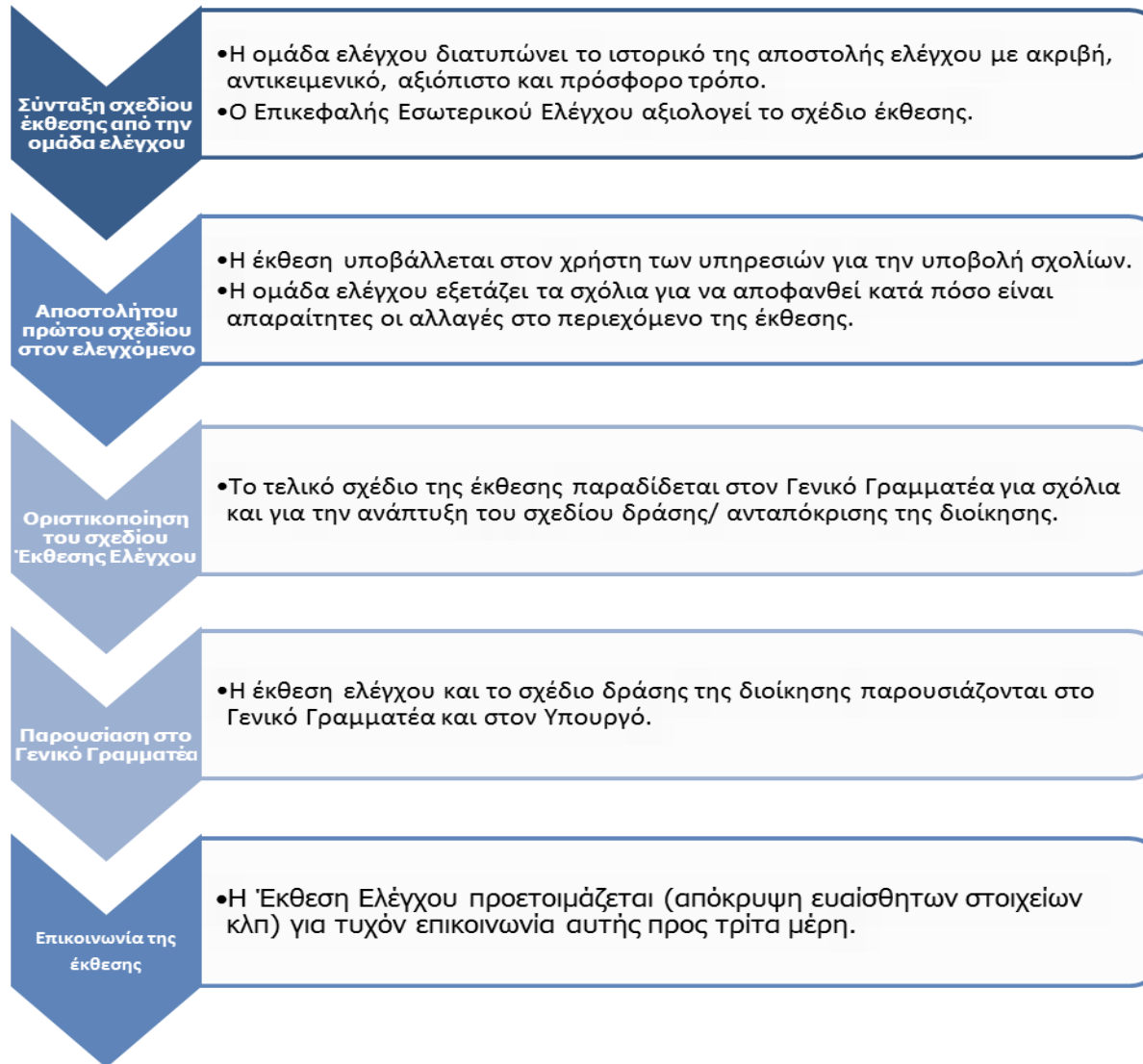
# 10 internal audit report.

## **What you will know at the end of that section:**

- The report of the internal audit and the stages of her pension
- What elements are included in a comprehensive report
- That we follow-up on the agreed action on the findings of the reports

# 10 internal audit report.

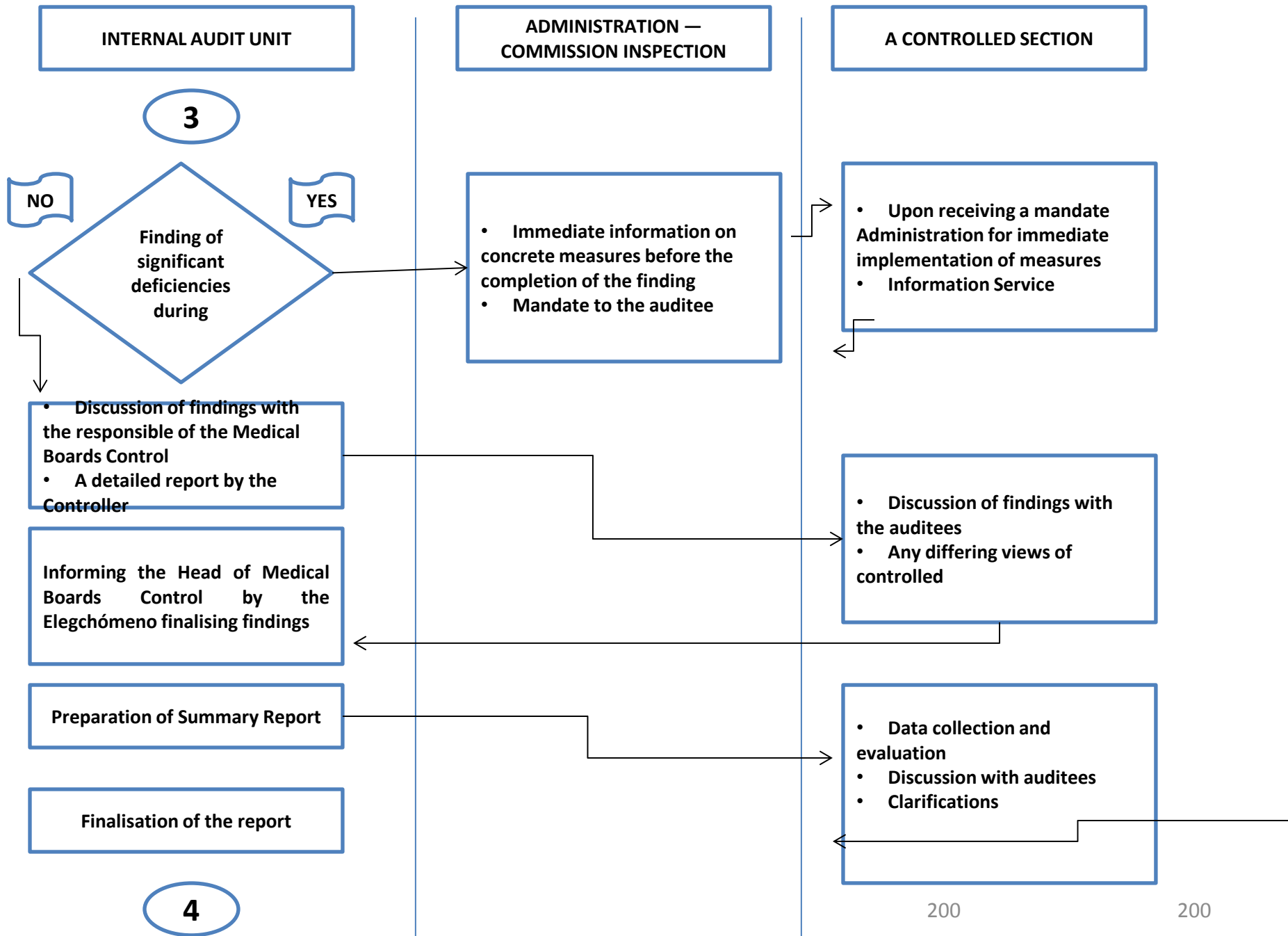
## 10.1 Overview of steps of completion of audit and report writing



# 10 internal audit report.

## **10.1 Then example flow diagram for the completion of the audit mission and the preparation and adoption of internal audit report**

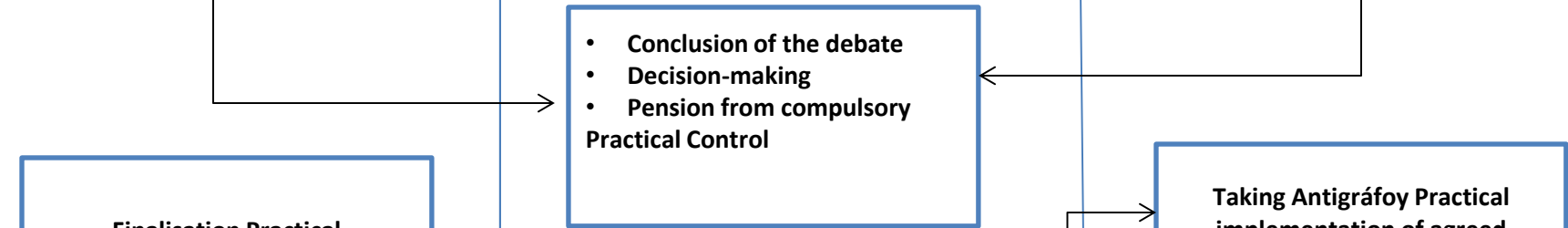
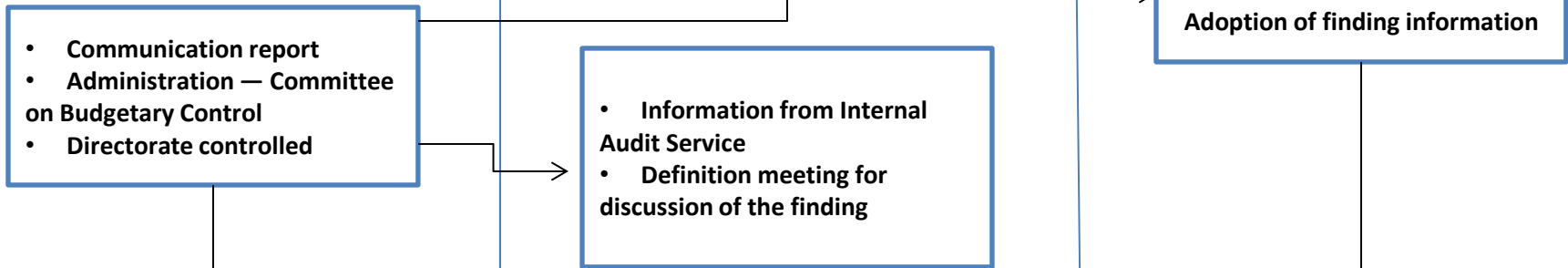
The following flow chart reflects the main steps from the initial recording of the findings and conclusions of the audit mission and the establishment of the initial draft report to finalisation and adoption by the competent bodies and the process of monitoring implementation of the proposals agreed with the administration of the audited body.



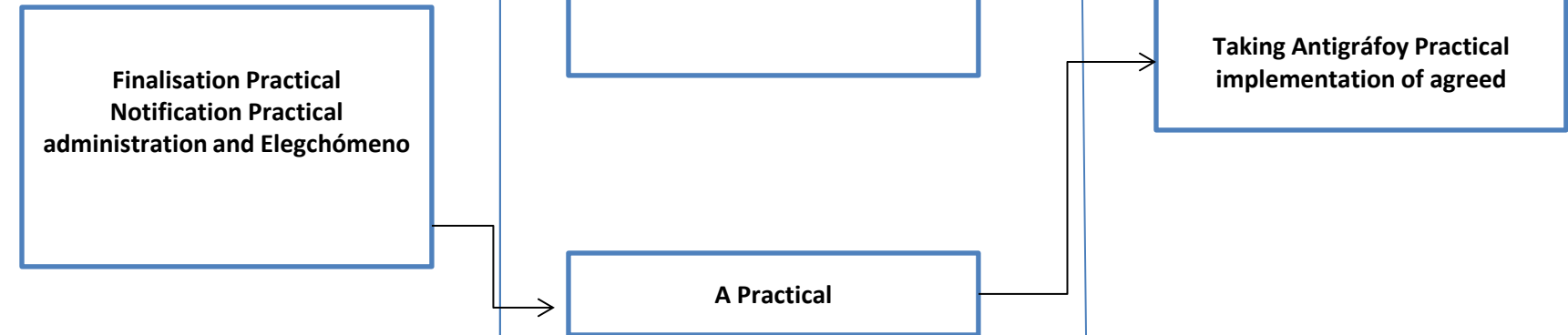




4



5



**INTERNAL AUDIT UNIT**

**ADMINISTRATION —  
COMMISSION INSPECTION**

**A CONTROLLED SECTION**

5

NO

YES

Enforcement  
of  
judgments

- Execution confirmation decisions directly or in a subsequent audit depending on the seriousness of the risk
- Information Service

Inform the management in the implementation of decisions

Closing  
the file

A

Closing  
the file

- Grounds for non-execution of **decisions**
- To monitor enforcement of **decisions**

Inform the management to close dossiers still pending

- Enforcement of judgments
- Information Internal Audit

# 10 internal audit report.

## 10.1 Overview of the steps of the report

The report reflects the actions undertaken in the planning and implementation of the audit mission. The main actions during the submission of control reports:

1. The audit team shall formally notify the findings, the findings and the proposals and draw up the audit report ensuring feedback from the audited entity.
2. After comments from the audited entity, be approved by the Ministry (\*).
3. Approved the final audit report communicated to the Minister, for information, and any other relevant body.

\* In the absence of a Committee on the report approved by the Minister or another official designated as the reference.

# 10 internal audit report.

## 10.2 The elements of a comprehensive audit report

Characteristics of a good report:

- **Accuracy:** the observations recorded should be free from errors and distortions, and be based on facts. The reports should include only the information, findings and conclusions supported by sufficient and appropriate evidence.
- **Objectivity:** the findings should be transferred with the correct style to bring objectivity and proper reasoning. Readers should be left with the impression that the treatment given to the Agency were fair. The use of language which resulted in the adoption of defensive attitude or refusal.

# 10 internal audit report.

## 10.2 The elements of a comprehensive audit report

- **Reliability:** presented in a non-discriminatory manner reports will affect readers that the comments are objective and that the audit results presented in the correct their area, without exaggeration.
- **Clarity:** clear report is easily understandable and logic. Clarity can be improved by avoiding the use of unnecessary technical language and terminology, with the provision of sufficient documentation.
- **Content:** reports should be concise, accurate and free of excessive detail.
- **Epoikodomītikótīta:** constructive reports contribute to the improvement of institutions. The report should be useful, positive, and be in line with the objectives of the Agency.

# 10 internal audit report.

## 10.2 The elements of a comprehensive audit report

- **Completeness:** the integrated reports contain all the results of the control, and cover the objectives described in the reference framework of the audit mission. The reports shall contain all relevant information required to support the conclusions and to facilitate proper and sufficient understanding of the issues addressed.
- **Timeliness:** the topical reports are drawn up without undue delay, thus allowing for prompt action.

# 10 internal audit report.

## **10.2.1 The elements of a comprehensive audit report**

In accordance with the International Standards for the Professional Practice of Internal Auditing (IIA) the writing and submission phase must meet the following requirements:

- Internal auditors should communicate the results of audit assignments (Standard 2400).
- The notifications should be among the objectives of the mission and scope, as well as the conclusions, recommendations, and action plans (Standard 2410).

# 10 internal audit report.

## 10.2.1 The elements of a comprehensive audit report

- Internal auditors are encouraged to acknowledge satisfactory performance of the audited body in the communication of the results of the mission (standard 2410.A2).
- The control reports should be accurate, objective, clear, concise, efficiency, completeness and timeliness (Standard 2420).
- Internal auditors may report that their consignments “conducted in accordance with the International Standards for the Professional Practice of Internal Auditing, only if the results of the quality assurance and improvement programme support the statement (Standard 2430).



# 10 internal audit report.

## **10.2.2 The role of the auditor and auditee**

- The audit team draws up a verification report, following the information sessions of the auditee.
- The auditee should have approximately two weeks to review the first draft audit report.
- Upon receipt of the feedback from the auditee, the audit team should assess the comments in order to determine if there is a need to change the content of the report.

# 10 internal audit report.

## **10.2.2 The role of the auditor and auditee**

Presentation of the Senior Executive Staff of the Administration:

- In support of that mission, it is useful to take place at regular intervals a meeting of senior management which could attend and external members from other institutions, such as the Court of Auditors, the Head of Internal Audit will present the internal audit reports.
- In addition, the senior officials to appear before the EVS (if applicable) to discuss the results of internal controls carried out, and to present the respective Plan of Action (FMC) operated in response to any recommendations are formulated.

# 10 internal audit report.

## **10.3 Audit follow-up on the agreed action on the findings of the reports**

In accordance with the International Standards for the Professional Practice of Internal Auditing Standard 2500 (Monitoring Progress) stipulates that “the head of internal audit should establish and maintain a system to monitor the implementation of corrective actions undertaken on the basis of the audit results”.

# 10 internal audit report.

## **10.3 Audit follow-up on the agreed action on the findings of the reports**

After the finalisation of the internal audit report is required to monitor the implementation of corrective actions by respecting the file with all the findings and proposals contained in the audit report (follow-up). Essential elements of this file are:

- The agreed corrective actions
- Implementation
- Reasons for non implementation
- Impact of implementation or non-implementation

# 10 internal audit report.

**Teamwork H) Case Study:** Developing an outlook report (total Chōristeíte 2 groups — 30)

With regard to the data and the findings of the previous Work Team G, you are requested to prepare an outlook report, taking into account the following chapters:

## Table of contents

1. introduction

Extent of work in 2.

3. summary of the Administration

# 10 internal audit report.

**Teamwork I) Case Study:** Developing proposals

Chōristeíte 2 groups — 15)

Further to its previous report each group is asked to make proposals for each finding, which concerns it.

# 10 internal audit report.

## Teamwork I) Case Study: Overview of proposed action plan and follow-up audit — 15'

Following completion of the annual audit plan and over 1 year, fill in the Table 'recommendations' on monitoring compliance with the agreed corrective actions with the auditees. Please comment on what you are going to do, after the review of the relevant table.

N/A	Corrective actions (description of actions taken to address identified weaknesses)	Progress in implementation ("implemented", "in progress", "partially implemented" or 'was not executed')	Reasons for non implementation (description of implementation)	(description of the impact from the implementation of corrective action — if applicable)
1	Revision of procurement procedures	IN PROGRESS	ITHELĪMENĪ DELAY	
2	Recruitment of staff	EXECUTED		STRENGTHENING INTERNAL CONTROL
3	Protection of personal data	NOT EXECUTED	DIRECTOR PENSION SYSTEMS	NON-COMPLIANCE WITH THE SES INSTITUTIONAL FRAMEWORK/LARGE FUTURE FINES/PERSONAL DATA CITIZENS AT RISK
4	Inventory of assets	PARTIALLY EXECUTED	BIG VOLUME PAGION	215

# 11. the role of the internal audit function in the assessment of risks of fraud and corruption





## 11. the role of the internal audit function in the assessment of risks of fraud and corruption

### **What you will know at the end of that section:**

- The contribution of internal control to prevent and detect fraud and corruption
- The role of internal auditors in the context of its comprehensive strategy for tackling fraud/corruption

## 11. the role of the internal audit function in the assessment of risks of fraud and corruption

### **11.1 The contribution of internal audit to prevent and detect fraud and corruption**

The risk management systems of fraud and corruption using OECD Member States the primary responsibility for preventing, deterring and detecting is similar to administrators and other staff of public bodies (i.e. the functions of the 1st and 2nd line) and law enforcement agencies such as the police and fight against corruption.

- Internal Audit has prioritised the fight against corruption but create an environment within public bodies is not conducive to the outbreak of similar unlawful conduct.
- In addition, it should be noted that internal auditors must not be directly involved in the investigation of potential or proven acts of corruption

## 11. the role of the internal audit function in the assessment of risks of fraud and corruption

### **11.1 The contribution of internal control to prevent and detect fraud and corruption**

- In this context the Heads of internal audit units must include additional criteria in the planning of audits in order to detect activities which may constitute indications of corruption and carefully assess the information available in order to decide whether to propose the special survey by the competent bodies.
- As already mentioned identifying instances of fraud and corruption is among the main responsibilities of internal control. The main task of the internal audit is to provide an independent and objective assessment of the governance, risk management and internal control of public institutions. In this context the internal auditors may be:

# 11. the role of the internal audit function in the assessment of risks of fraud and corruption

## 11.2 The role of internal auditors in the context of its comprehensive strategy for tackling fraud/corruption

- To assess the arrangements for Risk Assessment looking for information to express an opinion on whether the risks of fraud and corruption have been identified and mitigated,
- To offering an independent assessment of the effectiveness of prevention and detection mechanisms established to limit the materialisation of risks of fraud/corruption
- To take account of possible fraud and corruption at every inspection visit and to identify indications that there was unlawful conduct or weaknesses in controls that may indicate that the body is exposed to corruption.
- Examine areas where there has been significant acts of corruption to detect substantial or systemic weaknesses in control mechanisms did not work properly and to make recommendations for the strengthening of controls where necessary.
- To support or initiate investigations of fraud on behalf of the administration only when they have the appropriate skills. In this case, the administration should be aware that internal auditors are acting outside the core of their core business.
- To express an opinion on the effectiveness of the risk management of fraud and corruption (i.e. policies, plans, protection of whistle-blowers, codes of conduct etc.) and whether these arrangements are sufficiently epikoinōnītheí throughout the organisation. Management has a responsibility to put in place an effective programme and the role of internal audit is to assess its effectiveness.

# 11. the role of the internal audit function in the assessment of risks of fraud and corruption

## 11.2 The role of internal auditors in the context of its comprehensive strategy for tackling fraud/corruption

The following standards by international framework for professional practice of internal auditing of the IIA specifies the role of internal auditors in the management of fraud and corruption risks:

- **1210.A2 (professional competence):** ‘The internal auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organisation, but are not expected to have the skills people have a prime responsibility to detect and investigate fraud’.
- **1220.A1 (professionalism):** ‘The internal auditors must exercise due professional consistency by evaluating the possibility of fraud,..... or..... ’.
- **2060:** “The Head of Internal Audit (CAE) shall regularly report to senior management and the Management Board..... for the risks of fraud...”.
- **2120.A2 (Risk Assessment):** “The internal audit activity must evaluate the potential for the occurrence of fraud and how the organisation manages fraud risk.”
- **2210.A2 (Objectives Mission):** ‘The internal auditors must consider the probability of significant errors, fraud, non-compliance and other risks when formulating the objectives of the audit mission’.

# QUESTIONS?



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