

Summary and Conclusions of the PEMPAL IA COP workshops Ljubljana, April 1-3, 2009

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Two workshops were organized in Ljubljana between April 1-3: 1) a one-day workshop on Training and Certification on April 1st; 2) a workshop/training on sampling methods in Internal Audit on April 2-3. In addition, a questionnaire was submitted to and discussed with the participants on the future of the PEMPAL IA-COP.

1. First workshop: Training and Certification (T&C).

1.1. Background

A sub-group (T&C Group) of the PEMPAL COP was created formally in Chisinau (2007) and subsequently issued an action plan foreseeing 5 milestones² for the achievement of their mission. The first milestone was achieved in 2007 (“Knedler report”³), the second milestone was the dissemination and discussion among the T&C group of the Knedler report in Istanbul (2008). Following Istanbul, two professional institutions (IIA and CIPFA) provided comments on the Knedler report, and made proposals for supporting T&C. As a result, a new interim step was envisaged and a consultant was hired to: (i) give a professional opinion on proposals by IIA and CIPFA; (ii) as needed, prepare an outline (including a detailed budget estimate) of a possible third proposal; (iii) prepare recommendations to the T&C group as a basis to decide for either one of the proposals. The output of the consultancy (“Chetcuti report”⁴) was presented and discussed on April 1, 2009 in Ljubljana. The final report is posted on the PEMPAL website.

2.2. Main outcome of the workshop.

Time for preparation and notice to participants were short. Meaningful decision on the directions proposed in the Chetcuti report was limited by:

1. *Low attendance*: only 7 people came to the workshop which was insufficient to consider it as representative quorum of the opinion of the Group
2. *High turnover amongst members of the T&C group*: only two out of the eleven members of the original group came to the workshop. The reason may have been the timing of the workshop, over a year after the Istanbul workshop. As a result, the great majority of participants lacked the perspective and background on T&C work progress, and came unprepared (e.g. they had not read the Knedler report).

¹ This report has been discussed and agreed with Judith Hoffman, INwENT and Tomislav Micetic, Chairman IA COP

² These are: 1) review existing arrangements for training and certification, identification of themes to be included in a generic T&C program, development of an outline for a generic regional and public sector-based curriculum, 2) dissemination and follow-up finalization of output of the first step, 3) flesh out the generic curriculum for a training and certification, 4) develop a methodology of delivery of T&C program, 5) develop network of trainers

³ The Knedler report is available on the PEMPAL website: <http://www.pempal.org/>

⁴ the full report is available on www.pempal.org

3. *Seniority of participants.* With one exception, participants were not decision makers.
4. *Language barrier.* It had been decided not to provide interpretation given the low number of participants. However, at least half the participants were not conversant in English.

2.3. Conclusions and next steps.

At this point, the maturity of the project is still not sufficient for a more detailed design of the T&C program and a related budget estimate. Additional maturation will only be possible if Group 1 recovers the same level of commitment as in 2007 and 2008. With the view of supporting interest and commitment by the group, the report was briefly presented during the second workshop (April 3). The replies to the questionnaire discussed during the second workshop allow for cautious optimism in the possibility of renewing commitment (see discussion on the questionnaire in section 3. below).

Specifically, it was decided at the end of the workshop that:

- 1) Some participants (Croatia, Albania, Macedonia) will promote the report with their management as to assess or confirm decision makers' willingness in their countries to move ahead, and better understand conditions and constraints for further developing the project concept.
- 2) Support to the project concept will be sought from donors as to help raise awareness and participation at a higher decision-making level
- 3) The present report should be circulated among all the members of the original T&C group (plus new ones), and their comments will be sought
- 4) If the above decisions are carried out, a new working seminar must be scheduled no later than six month from now to complete the work initially assigned to the Ljubljana group meeting.

2. Second workshop: Sampling methodology in IA (April 2-3)

Due to time constraint for preparation, this 4th IA-COP workshop was formatted as a course delivered by an international consultant (Jeanne Wehlau, a Canadian IA practitioner). The course material is posted on the PEMPAL website. The topic of the training was selected by polling the members, and reflected the repeated requests by participants to focus on a practical, hands-on topic.

2.1. General remarks

High turnover. The workshop included 22 IA practitioners⁵ which compares unfavorably with previous attendance records. Furthermore, out of 22 participants, 10 (or 45%) were first timers in PEMPAL. More positively, 7 (or 32%) were 4th timers.

⁵ Plus 2 (not IA) officials from the MOF in Armenia, who requested to come and paid for their own participation.

Incomplete attendance. The organizers noted that attendance did not remain consistent over the 2 days. While the evaluation results shed some light on the underlying reasons, there remains an issue of commitment and responsibility by participants, which may call for some internal IA COP rules.

2.2. Evaluation of the workshop. The evaluation was carried out by the CEF and is posted on the PEMPAL website. Overall the rating is 4.2 over 5. However, participation to the exit survey was incomplete, as the most dissatisfied participants had already left before the survey. In summary, the evaluation showed that:

- The course met expectations for 93% of respondents. While 7 % of participants were disappointed
- The duration of the course was “about right”, for 47 % of participants, to short for 33 % too long for 20 %
- The course was rated 4.5 over 5 for its applicability in daily work

3. PEMPAL questionnaire

In view of the high membership turnover, seemingly reflecting uneven commitment to the COP (including to the T&C group), irregular contacts among members in between workshops, lack of responsiveness to emails and requests, and generally limited use of the website, a questionnaire was distributed to the participants at the onset of the workshop. The questionnaire aimed to: 1) assess participants' availability and willingness to take an active part in the COP; 2) understand constraints on the use of the website; 3) select topics for the next workshop. The results of the questionnaire were discussed on April 3, following a presentation on the achievements and particularly on the challenges faced by the COP, which are perceived by a core number of members as threatening the future of the COP. Overall the results of the questionnaire are positive, although the high number of newcomers limit somewhat its interpretation value.

3.1. Commitment to PEMPAL

Question 3 of the questionnaire required participants to make a commitment to PEMPAL for a year. Specifically they were asked to agree to commit to the following activities (the percentage indicates positive responses⁶):

- (a) Take part in future PEMPAL activities in 2009-2010: 100%
- (b) make presentations during workshops: 64%⁷
- (c) participate in the T&C work group: 68%
- (d) use the website particularly to share information with others and request opinions from peers : 86%
- (e) serve on the Executive Committee of the IA COP: 50%

These results are encouraging even as they tend to be somewhat at odds with the high turnover and lack of responsiveness previously noted. **However, to be credible, they**

⁶ A total of 22 respondents

⁷ This result is somewhat surprising as only about 8 out of 22 (37%) participants are willing to present a case study. This apparent contradiction may have arisen from misinterpretation of the questions.

should urgently be supported by measures towards stabilizing membership in PEMPAL.

3.2. Use of the website

There is little traffic on the IA COP website, and the participants were asked about their knowledge and use of the website. They were also asked to provide reasons for (not) using it and suggestions for improvements. While 73 % of the respondents know about the website, only 23% consult it⁸. As noted above, 86% of participants say they would be willing to discuss on the web with peers. Reasons for not consulting the site and suggestions for improving it are listed below. **These results highlight the urgent need to strengthen the role of the CEF with professional staff to inform the COP, facilitate communication between the members, and enhance the knowledge base of the members, including with adequate supply of material translated in Russian.**

⁸ This percentage is approximate

Yes, I consult it	No, I don't consult it
<p>What improvements do you suggest? Please list:</p>	<p>Why not?</p>
<ul style="list-style-type: none"> * Publish more info, good practices etc. - also publish each 6 months 1 page for each country - with new developments on IA area. *Presentation a specific theme from rulebook. * Publish legislation on IA and IC of different countries *Place more material in Russian for Russian-speaking participants from PEMPAL members countries. 	<ul style="list-style-type: none"> * I have no information about it. * Because is it new for me. * The web is not well known among professional audits. * I heard about it during the workshop. * I don't find information there which is required for my everyday work (like random generator for example). * Because a lack of time (I became acquainted with the web site too late). *Too little information in Russian
<p>Would you be willing to discuss with peers on the web forum on topics of common interest?</p>	<p>What information would the website need to have in order to be useful to you?</p>
<ul style="list-style-type: none"> * I think online web forum is not so efficient. I would suggest to exchange e-mails with our opinions - and after some editing work to publish this opinion/s on PEMPAL website. * on methodology of IA * on methodology and improvement of legislation . 	<ul style="list-style-type: none"> * 1.) IA related legislation of several countries; 2.) Information about PEMPAL activities (trainings, workshops) on this field; 3.) Contact information of other country official on this field. * information about IA systems and work specifications in several countries, forum to communicate with other officials and share experiences, information about some organizations' activities (training, workshop etc.) related to Internal Audit. * Best practices. * Forum, best practice. * 1.) Legislation; 2.) Forums; 3.) Research reports of members. * 1.) All sorts of audit manuals available to the public; 2.) Tools for sampling * 1.) The objectives; 2.) The topics of seminars, working groups (materials); 3.) The information about institutions involved in the project. *All international documents on IA in Russian

3.3. Topics for the next PEMPAL workshop

The participants⁹ selected the topics for the next PEMPAL workshop. Two features are worth noting: 1) participants wish to have hands-on, practical topics with exercises and case-studies; 2) the second most popular topic is Training and Certification.

The next PEMPAL workshop will take place in the Fall 2009, focus on a maximum of 3 topics and be, to the extent possible, based on case-studies. As previously noted, if interest of the members for T&C is confirmed, work on the Chetcuti report will be allowed to continue.

⁹ 18 respondents each giving 3 choices

Topic selection for the next PEMPAL workshop

Topics	# votes	as % respondents
IA standards/documenting IA work/IA methodology/writing reports/IA manuals/case studies	12	73%
Training and certification systems	7	47%
Independence of IA	5	33%
Role of CHU/Relation between decentralised IAs and CHU/networking activities CHU	5	33%