



PEMPAL IACOP meeting

The progress in Internal Control and Internal Audit Reforms

Prague, the Czech Republic - March 21-23, 2016

**Recently established good practices in FMC and
challenges in our countries as part of PIC
implementation**

French public administration experience

Stéphan Roudil, CIA/CGAP, Rapporteur general of the Central
harmonisation committee for internal audit

Prague, March 23th, 2016



Recently established good practices in FMC and challenges – Feed back from France

➤ Reminding - PIC in the French administration

- Regulation, especially Constitutional bylaw on budget Act (“LOLF”) – 2006 :
 - Public policy => Missions => Programmes => Actions (objectives) : Results-oriented budget with performance targets and indicators (each programme)
 - Certification of public accounts by the Court of Account

=> Scope and organisation of PIC :

- 2001 - 2012 : implementation of IC systems on accounting and budget ;
- 2011 : extension of IC system to all public policies, with decentralised internal audit functions (ministry) :

« In each ministry, internal control and internal audit systems, adapted to the objectives and to the organisation, and aiming at ensuring the control of risks linked with the management of all public policies they have in charge, is implemented » - Decree n° 2011-775 of 28th June 2011.

Recently established good practices in FMC and challenges – Feed back from France

➤ Reminding - PIC in the French administration : Key players

Executive level :

- *At Programme level*
 - The *programme* manager and staff
- *At ministerial level*
 - The Secretaries-General (SG) of the Ministries and staff
 - The Directors of Financial Affairs and Human Resources Departments and staff
 - The budgetary and accounting control service and staff
 - Inspection (I) and control services
 - Internal auditors
- *At interministerial level*
 - The Directorate for the Budget (DB)
 - The Directorate-General for Public Finance (DGPF)
 - The central harmonisation Committee for Internal Audit (CHAI)
 - General inspection (GI), including financial)



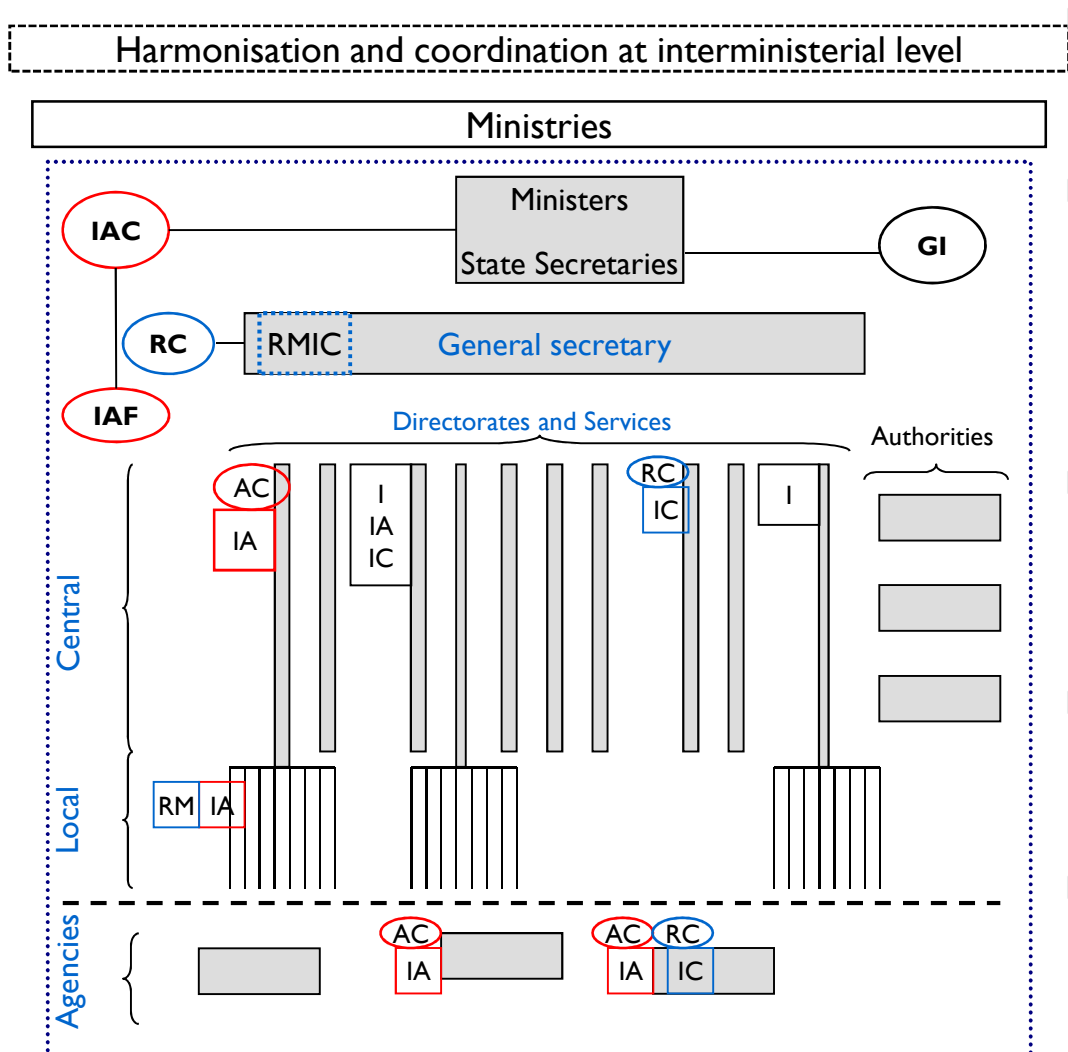
PIC

Legislative level :

- *The Parliament*
- *The Court of Accounts*
 - Assessment of the accounts of public accounting officer ;
 - Audit of the proper use of public funds ;
 - Evaluation of public policies ;
 - Certification of public accounts for State and Social Security.

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➤ Scope and organisation of PIC : Example of Ministry of Finance



Central harmonisation committee on IA

- IA public Standards and methodology
- Examination of State audit policy

▶ Internal audit committee (IAC) :

- Supervisory of risk management system
- Internal audit policy
- Chaired by the ministers and composed with a majority of independent members
- Audit charter focused on all processes and risks

▶ Risk committee (RC)

- Performing the risk management policy
- Monitoring the risks and risk appetite
- Chaired by the general secretary and composed by the executives

▶ Internal audit function (IAF)

- Managed by a Head of IAF
- Planning and methods
- Composed with Heads of IA or I services

▶ Risk management and Internal control service (RMICS)

- Coordination of risk management and internal control systems

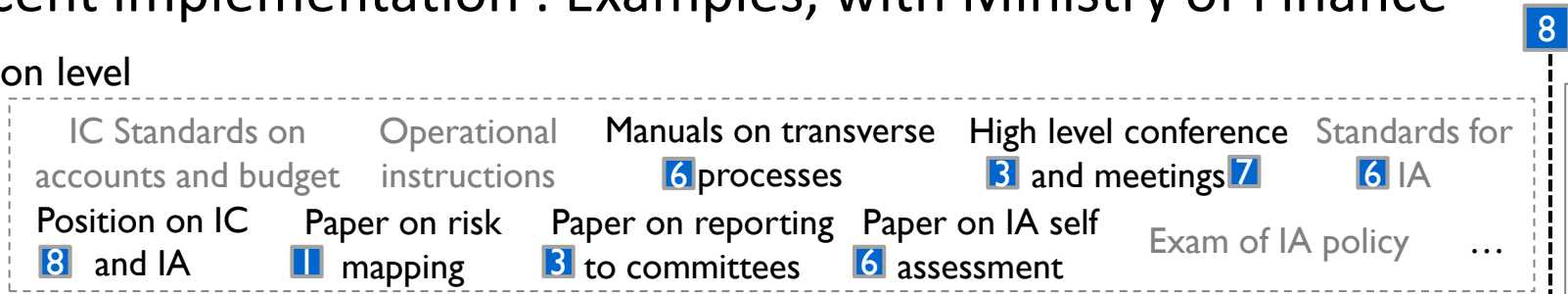
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- Recent implementation : Examples, with Ministry of Finance
 - To catch the attention of Top management, to get the necessary support and assure the relevance of assurance process : Clarify the leadership and improve the reporting :
 - 1 Development of risk map in ministries at Minister level ;
 - 2 Clarify and validate the ownership of the risks ;
 - 3 Strengthening of the strategic role of Audit and/or risk committees.
 - To ensure the reality and usefulness of IC systems :
 - 4 Organisation in processes based on objectives, and articulation/complementarity on : transverse, ministry, directorate/services (central/local) and programmes ;
 - 5 Integration into the control processes and documentation of : ex ante controls, first and second level controls (including inspection activities) ;
 - 6 Strengthening of professionalism of internal auditors, as IA and IC experts.
 - To support technically the IC players :
 - 7 Advocacy of IC and IA approaches and added values ;
 - 8 Coordination between control processes, inspection and internal audit activities as well as with the Court of Account (SAI).

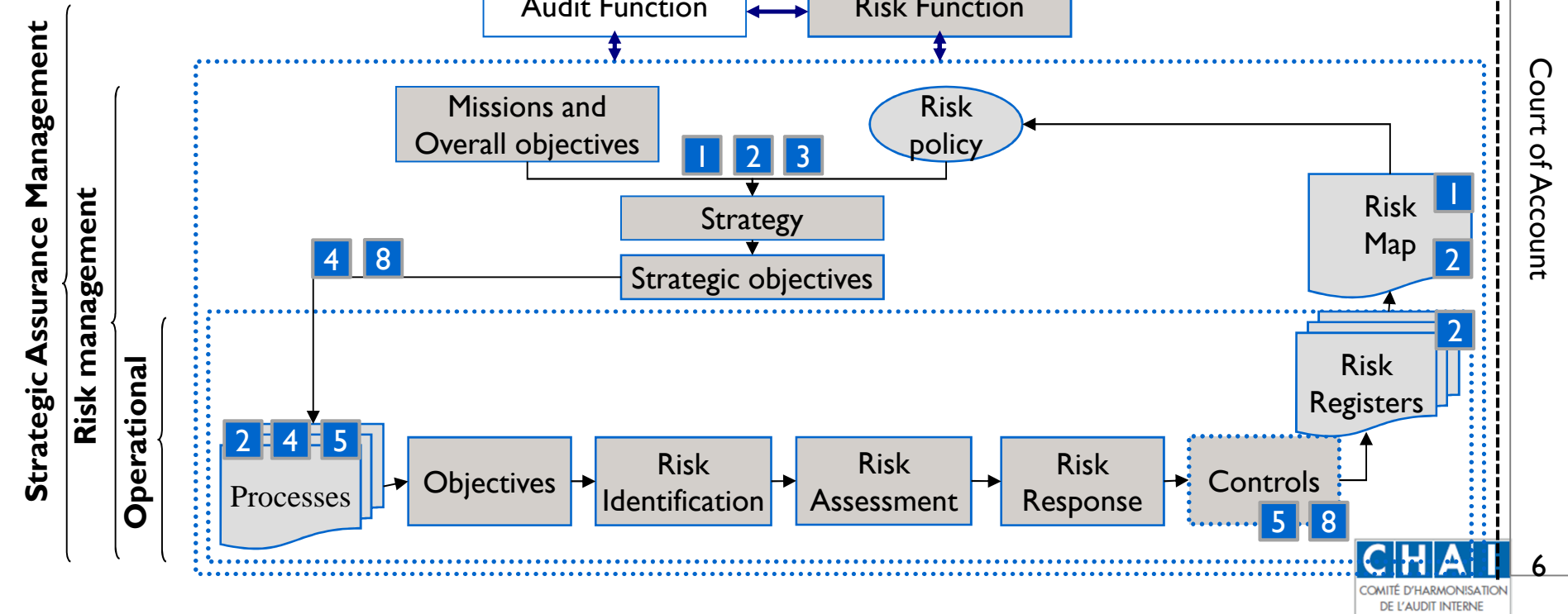
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➤ Recent implementation : Examples, with Ministry of Finance

Administration level



Ministries level





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