

# **CREATING AN EFFECTIVE CENTRAL HARMONIZATION UNIT**

**PEM-PAL WORKSHOP FOR INTERNAL AUDIT  
OFFICIALS**

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# Objective of the Session

- What pre-conditions are necessary for the creation of a successful CHU?
- Role and responsibilities of the CHU
- Key objectives of the CHU
- Important activities of the CHU
- Experience of Lithuania – Lessons Learnt

# PRECONDITIONS

- Based on the political decision to upgrade its internal audit and internal control systems;
- Through introducing modern, internationally accepted standards;
- Throughout the entire public sector, covering all management, control and audit levels;
- The BEST OPTION – is to make a central institution responsible.

# A DRIVER FOR CHANGE

- To start with raising the awareness of the new concepts to be introduced
- To ensure the quality of ICs and IA work improves
- To harmonize the approach across all levels of government;
- To ensure the continuous development of best practice throughout the public sector

Note: It is vital to have a central structure – CHU  
– empowered to manage the development of  
IC and IA across the public sector.

# THE NEEDS OF THE CHU

- A clear mandate;
- Appropriate independence via special status;
- Competent leadership and staff;
- A strategy for recruiting and retaining the right people;
- Training facilities for continuing professional development;
- A well defined reporting structure.



# BASIC ROLES AND RESPONSIBILITIES

- For developing and promoting internal audit and managerial accountability (internal control) systems, methods, structures, processes on the basis of internationally accepted standards and best practice
- For coordinating the implementation of IC and IA methodologies on basis of internationally accepted standards and best practices
- For monitoring and evaluating activities to improve the quality of work carried out

# KEY OBJECTIVES OF THE CHU

- Raising the awareness in public sector;
- Networking (regular group meetings, seminars, workshops, help-desk, consultative visits, el-forums);
- Development of legislation;
- Providing basic methodological guidance;
- Monitoring the implementation;
- Establishing and promoting relations with Supreme Audit Institution.

# KEY OBJECTIVES OF THE CHU

## (cont.)

- Coordination and supervising of the establishment of sustainable training facilities;
- Analyzing annual internal audit activity reports;
- Reporting to the Government;
- Ensuring adequate staffing and sufficient resources based on the Audit Needs Assessment;
- Quality assessment of IA.



# Lithuania experience - LESSONS LEARNT

- Recruiting and retaining right personnel;
- Analysis of current system to plug the gaps;
- External assistance projects, peer reviews;
- Development of the awareness of senior management (incl. issues on independence of IA);
- Introducing new laws and regulations;
- Developing the network.

# Lithuania experience - LESSONS LEARNT(cont.)

- Co-ordination between IA, SAI and other professional bodies;
- Ensuring responsibility and support of senior management for IA / IC;
- Effective and continuous training system;
- From the development towards monitoring and reporting the progress;
- Benchmarking;
- Promotion of self-assessment procedures.