

Internal Audit Community of Practice (IA COP)

Minutes of Executive Committee Meeting

Date: February 15, 2013

Location: via Video Conference supported by the World Bank

Attended by: Arman, Cristina, Diana, Ljerka, Maksim, Marius, Stanislav, and Zamira

Agenda:

1. To present and discuss the new rules of operation
2. To define the scope (functional area) of IA CoP
3. To discuss the status of Albana in ExCom, as a result of her recent promotion to SAI
4. To continue the discussion started in Tirana about new ExCom membership
5. Proposals for Tbilisi Plenary
6. Proposal regarding Quality Assurance Working Group next meeting
7. The guiding principles for composing the list of participant for Tbilisi event
8. To conclude on the future steps of Risk Assessment Working Group
9. Other topics

Background:

1. The ExCom requested the WB to organize a video conference with ExCom participation, as a number of agenda items have been only quickly covered with no decisions made during the previous ExCom meeting due to time constraint and breath of Agenda items.
2. Nino and Albana could not attend the VC. All other Excom member were connected from WB offices in respective countries
3. The topics related to Tbilisi plenary were briefly covered and mainly postponed to the next meeting to be devoted to Tbilisi plenary
4. Marius was requested to join only to present the first Agenda item above and left the meeting after explained the new Rules and clarified the questions on those Rules posed.

1. To present and discuss the new rules of operation

Marius has presented the new rules of operation of PEMPAL with references made to respective articles of the rules which were shared with the ExCom members in advance. Marius clarified that while the new rules were endorsed by the Steering Committee members they are expected to be formally approved by the Steering Committee on March 14, 2013.

A number of major changes were presented. Marius responded and clarified questions of ExCom members regarding the new Rules. He also responded that the reason for revision of rules was to clarify much ambiguity and remove the obsolete requirements prevailing in the rules of PEMPAL. The ExCom welcomed the clarity to be introduced by the new rules.

He clarified ExCom has the authority to determine the functional area of a COP.

Another discussion was about the regional representation in the ExCom. Marius clarified that this is encouraged and advisable to be reviewed on a regular basis. He clarified that it is the ExCom decision to nominate most active members of PEMPAL, and regularly revisit the representation by sub-regions.

Excom clarify that it does not indicate that inactive members should be appointed just for the stake of regional representation. ExCom discussed and agreed to develop internal regulations for the IA COP about nomination and representations.

Action: to develop IA COP internal regulations on the nominations and representations in line with the new rules (Responsibility: Maksim to lead the development of the regulation).

2. To define the scope (functional area) of IA CoP

Following extensive discussion on functional area of the IA COP operation ExCom agreed in principle on the following definition of the IA COP functional area (Russian is the original version):

“Функциональная область Практикующего Сообщества по Внутреннему Аудиту ПЕМ ПАЛ покрывает следующие компоненты Государственного Внутреннего Финансового Контроля (ГВФК): гармонизация системы ГВФК, внутренний аудит и финансовая инспекция .“

“Functional area of Internal Audit Community of Practice of PEM-PAL covers the following components of public internal financial control (PIFC): harmonization of system of PIFC, internal audit and financial inspection.”

“Членами Практикующего Сообщества по Внутреннему Аудиту ПЕМ ПАЛ являются госслужащие, представляющие орган, уполномоченный гармонизировать ГВФК, а так же оказывающие услуги во внутреннем аудите и финансовой инспекции, которые номинируются указанным органом. “

“Members of IA CoP are civil servants, representing a body, which is authorized to harmonize the area of PIFC, as well as provide services in internal audit and financial inspection, which are nominated by the body.”

The ExCom clarified that PIFC refers to the public internal financial control as interpreted by the ExCom, and does not intend to refer to the definition of PIFC used by EC or any other international or regional organization or any specific country authorities.

The above definition will be used for the purposes of the functional area definition. Meanwhile it was agreed that it could be edited and polished further with no change in scope. The ExCom also clarified that the Supreme Audit Institutions are outside of the functional area of the Internal Audit, which is also guided by different international and regional organizations: INTOSAI and EUROSAI.

Action: Place the definition of the functional area of IA COP on the wiki (Responsibility: Cristina).

3. To discuss the status of Albana in ExCom, as a result of her recent promotion to SAI

ExCom has taken note of Albana's promotion and her new role in Albanian SAI. Following the clarification that the SAI is outside of the domain of Governmental services, especially internal audit, as well as in line with the above discussion it was unanimously agreed that Albana will not be able to serve in the ExCom. The ExCom members noted that the same decision to step down as IA COP members were honorably taken by Tomislav, Diana, Marija, etc, when they moved outside of the function of internal audit.

The ExCom appreciated the inputs Albana had in the community's activities and decide to thanke her for her contribution. It was also agreed to propose Albana' further involvement as a resource person (if she is interested and available) to contribute to the future activities of the community as identified by respective Working Groups and ExCom.

Action: Appreciate contribution of Albana and propose cooperation as a recourse person (Responsibility: Secretariat to prepare the letter).

4. New ExCom membership

The ExCom continued the discussion started during the previous meeting and unanimously confirmed Makar's appointment as the new ExCom member. Nini's e-mail in support of this decision was also considered.

Action: Communicate to the MOF on Makar's nomination (Responsibility: Secretariat to prepare the letter).

5. Proposals for Tbilisi Plenary

ExCom briefly discussed the topic and agreed that one day will be devoted to Georgia (Georgian day), and presentation on QA, RA and Relation IA/Inspection/ EA. Further details will be discussed during the next VC, later in February.

Action: Organize a VC to discuss the Tbilisi events (Responsibility: Arman).

6. Proposal regarding Quality Assurance Working Group next meeting

There is a need of resource people for QA WG with no specific preferences. It was discussed to try to involve Jean Pierre and Manfred. However, they should confirm both their availability to prepare the QA WG meeting and join the event.

7. The guiding principles for composing the list of participant for Tbilisi event

It was agreed to follow the new Rules to be approved shortly, i.e. inviting two people per country.

Action: Prepare a list of participants considering at least two previous events not to miss any active member (Responsibility: Cristina).

8. To conclude the future steps of Risk Assessment Working Group

ExCom unanimously decided to appoint Gregor as the new leader of the RA WG, considering his knowledge in RA and active involvement through the previous RA WG events. He will need also to coordinate on the next steps and prepare inputs for the RA WG activities back to the plenary. ExCom agreed to advise Gregor to consider involving Albana (if interested and available) as a resource person.

Action: To prepare inputs into the plenary and report back on the activities of the RA WG
(Responsibility: Gregor).

9. Other topics

ExCom discussed the resources required for the next plenary and QA WG meeting. Maksim informed that he discussed with the WG leader on relationship of IA/FI/EA on the need for resources. Sergey had informed Maksim that the Dutch Academy was the only interested and actively involved from the initial stage of the preparation of the WG activities, and he is happy with their current level of support and inputs and no extra inputs are required at this stage. He also informed that if more resources are required before preparation of the first WG meeting (in September 2013), he will inform accordingly.

Stas confirmed Russia's interest to host the first WG meeting on Relationship of IA/FI/EA in September 2013.