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Internal Audit Community of Practice, Bled, Slovenia October 14 - 15 2010

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Introduction

The 8th and 9th meetings of PEMPAL Internal Audit Community of Practice took place in Bled, Slovenia. The Internal Audit (IA) Manual Workshop was run on Thursday and Friday, October 14th - 15th and the Training and Certification (T&C) Workshop on Monday and Tuesday, October 18 - 19th. There was an Executive Committee meeting on the morning of Saturday, 16th, with a weekend break.

There were twenty-six participants for the IA Manual workshop, 20 of whom stayed on for the T&C workshop. Jean Pierre Garitte represented SIGMA at the IA manual workshop; Joop Vrolijk and Noel Hepworth represented SIGMA at the T&C workshop. The agenda for these workshops were shaped by priority topics and recommendations from previous meetings.

In this report on the learning process I briefly describe each workshop, the objectives and suggested outputs and the reports from leadership groups. This follows with further reflections and recommendations on community learning for future IA CoP meetings.

The relevant pages for both meetings can be found on the wiki here:

- **IA Manuals:** http://pempaltc.wikispaces.com/IAManual_Oct2010
- **T&C:** http://pempaltc.wikispaces.com/T%26C_Oct2010

IA Manual Workshop

The objectives and expected outputs of this workshop were as follows:

Objective	Output
1. Continue developing the community as a dynamic learning partnership between its members	Recommendations from community leadership groups
2. Create a common understanding about IA manual (objectives of IA manual, IPPF standard, Capability maturity model, current status and overview of IA manuals in PEM-PAL countries, experts view on IA Manuals)	Collaborative matrix (see appendix) that identifies the essential elements of a manual, resources needed for countries to move forward, and possible environmental constraints.
3. Identify good practices for IA manuals based on information received (from questionnaire, experts and countries input and discussion between members on workshop)	Summary report on good practice for IA manuals based on received information and discussion on workshop
4. Clarify the way forward for developing and implementing the IA manual	Action plan (ToR) for next steps including preparation for January 2011 plenary.

These objectives were mostly achieved during the workshop with the following outputs:

1. Recommendations from leadership groups (see below)
2. The collaborative matrix led to a more detailed set of sections to be included in a manual (one section per flip-chart) with specific suggestions for each section of the manual. This information became the basis for the summary report and IA manuals template.
3. A summary report was produced and is also accompanied by a mind-map and a power point presentation with the main elements of the report. These can be found on the community wiki under "E. Summary report and IA Manuals template": http://pempaltc.wikispaces.com/IAManual_Oct2010

4. The action plan was a list of priority topics and initial preparations for the next IA manual workshop to take place in May. If SIGMA approves, then Jean Pierre will draft the first chapter of one of the sections of the report in preparation for the January plenary for members to comment on and make suggestions.

1. Recommendations from leadership groups

Agenda activists

The agenda activists kept a list of the topics arising and to be followed up in the future. Everyone was invited to vote for the three priority topics. "Risk assessment" was the most popular topic followed by the "AQ programme", "samplings materiality" and "Criteria to build up IAU within institutions. See **Annex 1** for all the topics and all the votes.

Critical friends

The critical friends noted some of what they thought were the main features of the meeting ("What we have done") and what to do in the next ("What should we do?"). They also reflected on what they had learned in the workshop and presented the feedback from other participants they had invited to be given on post-it notes. Their three key slides can be found in **Annex 2**.

Social Reporters

The social reporters produced a photo presentation with sub-titles which was a humorous satire of the two days. This comes as a power point attachment on the wiki under section D1 "Social Reporters". The social reporters did not produce any notes but the input and outputs of the meeting have been very comprehensively captured on the wiki here: http://pempaltec.wikispaces.com/IAManual_Oct2010

2. "Collaborative matrix"

This activity became one where the key sections of the manual were identified, each section put on a flip chart. The sections identified for an IA manual were:

- Fundamentals, Planning (Strategic, Annual and Risk Assessment)
- Execution
- Reporting,
- QA and IMP Programme (QAIMP).

Each group at the workshop added the specific elements they would expect to see in such a section of the manual (using post-it notes). An image of the process can be seen in **Annex 3**.

3. Summary report of the IA manual

The summary report can be found on the community wiki under "E. Summary report and IA Manuals template": http://pempaltec.wikispaces.com/IAManual_Oct2010. Tomislav Micetic also produced a mind-map and power point show of the main elements captured from the previous activity and which form the basis for the manual. The screenshots in **Annex 4** capture the main sections from this power point presentation.

4. Action plan

The action agreed on was to prepare a next draft of at least one of the sections of the manual, enlisting or contracting the support of SIGMA. This will be discussed at the next meetings of the IA manuals workgroup: Plenary meeting in Zagreb and an IA manual meeting in May 2011

Training and Certification Workshop

The training and certification workshop took place after the IA manual workshop with a weekend in between. This had the effect of both giving people a break between workshops with time to socialize and of “warming up” to the process of working together at the T&C workshop. At this meeting we invited everyone to pay attention to all leadership tasks rather than have leadership groups paying attention to the different aspects of leadership.

The expected outputs from this meeting were:

- Initial design of a BoK for public sector internal auditors
- Draft text on the implications for a training strategy
- Feedback and recommendations from community about this working session
- Next steps

1. Initial design of a BoK for public sector internal auditors

We began the meeting with an update of the current status of T&C in each country in a matrix on the wall. This information has been captured on the wiki in section B.1 Countries T&C current status (http://pempaltec.wikispaces.com/T%26C_Oct2010). It is also attached as **Annex 5** of this report.

After some input from Tomislav about the results of the Konrad report and input from from SIGMA about their observations of T&C programmes in different countries each working group worked on one of the three knowledge areas of the IIA Bodies of Knowledge. Their task was to reflect on the BoK, which is based on the private sector, with a view to suggesting what topics needed to be discarded, kept or adapted for their use in the public sector. Each group worked on one of the following Bodies of Knowledge (BoK):

- Standards theory
- Knowledge areas
- Tools and techniques
- Interpersonal skills (incorporated into the other BoKs on the suggestion of Noel).

There was also some input about existing T&C programmes with regards to CIPFA, CGAP, CIA and the Training and Certification of Internal Auditors in the Public Sector (CEF). See Section A. of the the T&C wiki page for copies of the relevant documents.

Finally all the groups came together to agree on their suggestions for each BoK. These can be found on the wiki under section C. Public sector BoK: http://pempaltec.wikispaces.com/T%26C_Oct2010

2. Draft text on the implications for a training strategy

While there was no draft text on the implications for a training strategy, it is implicit in the resolution passed at the meeting. This read as follows:

1. Infrastructure level (Level 2) - of the Capability Model for Internal Audit in the Public Sector represents a realistic level that could be planned and developed in PEM-PAL countries. Next levels would be considered when this level is implemented on country level. 2. The PEM-PAL Model of the content of Internal Audit Manuals in the Public Sector (developed in Bled, October 14, 2010) could be a base for the development of internal audit manuals in PEM-PAL countries.

3. Training and certification program discussed during working session should support the implementation of IA Manual. Training and certification program should be led by practice. 4. The PEM-PAL Internal Audit Body of Knowledge developed at the working session represents a list of competencies for internal auditors that could be covered in the basic training and certification of internal auditors. This could be a base on which countries can develop their own training and certification program.

A copy of the full resolution is attached in **Annex 6**.

3. Feedback

At the end of the workshop we reflected as a group on the what had worked. There was only one recommendation for the next workshop which was to be sure there is translation for non-English speaking members of the Executive Committee. There was considerable iterative design and planning taking place during this workshop and non-English speaking EC members needed translation at those moments. As those iterative planning moments were considered contributions to the success of the workshop it was agreed that we should ensure there is provision for a translator at those times during the next meeting.

I have categorized the reflections from working group members into feedback about the working environment, process, logistics, probing of the issues and leadership:

Aspects of the workshop	Feedback
Working environment	<ul style="list-style-type: none"> • Friendly and informative atmosphere • Joop's in depth understanding of members' problems • Family • Productive, constructive and relaxed
The process	<ul style="list-style-type: none"> • Creative work methods • Round table discussions • Friendships, interconnections between members of different countries
Logistics	<ul style="list-style-type: none"> • Translators - very good • CEF and Natasa's support • Technicians and the sound - very professional • Hotel facilities and support
Probing of the Issues	<ul style="list-style-type: none"> • SIGMA's contribution - "spicy interference" • We're getting deeper and more practical
Leadership	<ul style="list-style-type: none"> • Arman's insistent care • Bev - keeping us on track • Tomislav - the architect and goal-setter

4. Action and next steps

The suggestions for what should be done the next T&C working session were as follows:

- Develop modules/syllabus for the basic level
- Develop procedures of certification / who will deliver / role of CHU / role of university (confirming the Konrad report)
- Create a table from the matrix on the wall - comparing T&C of all people in the room
- Get reports from each country about how they have implemented the output from this meeting.
- Each country reports on the gaps in their own T&C programme, identifying priorities
- Issues of procurement
- Common materials and vision that countries can use in ways that they need

- Some countries e.g. Croatia and Kosovo should present their program and share the difficulties they went through and what is missing.

Before the next meeting a final draft of the BoK will be sent to the members of the T&C working group for comment and a final translated draft will be sent to all members of the working group.

Reflections and Recommendations

The Internal Auditing community of practice is a lively and inspiring one. There is a strong sense developing of a learning partnership between members. There is ongoing attention paid to the three key elements of a community of practice: domain (the issues of internal audit), community (trust, identification and good relationships), and practice (the language, tools and practices being developed by the community). Moreover, while Tomislav is extremely generous with his time, energy and knowledge in his leadership of the community there are also a number of members who are prepared to take initiative, speak out and to take a lead.

I start with some reflections on what I think helped contribute to the productive and relaxed atmosphere at this meeting and make some recommendations for future meetings.

1. Timing, location and logistics

- The model of having two workshops back-to-back with a weekend in between seems like a good one. I am certain we were more productive during the two two-day meetings because there was enough time between the meetings for people to relax and socialize together. The first meeting (manuals) was all the more focused because people knew there was a weekend on its way. The second meeting (T&C) was still riding on the energy of the first meeting, which meant that we started “warm”. Moreover, it was possible for Tomislav, Bev, Arman and others to do a lot of the follow-up work to the manual meeting and prepare for the T&C meeting over the weekend and while we were together. We also had equipment to do this, such as a printer, wifi etc.
- The hotel, the size of the room, the view, the excellent technical support and helpfulness of hotel staff also contributed to the ease with which things could happen. Tomislav and I were able to set up the room the evening before. The smooth logistics organized by CEF also help people in focusing on the workshop. We did not have all the equipment we asked for (e.g. butcher paper) but were able to improvise.

Conclusion and recommendations

1. A beautiful view, good acoustics in the room, very good technical support, free access to wifi and a printer greatly add to an atmosphere of relaxed productivity.
2. Where possible, ensure that we have access to a printer and wifi during the weekend (as well as during the meeting)
3. Make sure we have access to the room the evening before to set it up.
4. It could be helpful to have an IA facilitator box of equipment that is secure for each meeting.
5. Maintain this model of Thursday/Friday - weekend - Monday/Tuesday.

2. Agenda design and implementation

- The objectives and the output of both workshop were more realistic than for previous workshops. This was very helpful in focusing attention on what the community had to achieve during their time together. I worked on the agenda with Tomislav in the weeks running up to the meeting and we were able to shape and adjust it during the meetings. The agenda reflected input, suggestions and work started at previous Internal Audit CoP meetings.

- There was a dynamic and iterative design process going on throughout the meeting between Tomislav, Arman, Bev and other members of the Executive Committee. This was possible because Tomislav, Arman and I were working very well as a team. It also worked because the EC members were motivated and constructive in the breaks as they made suggestions to small adjustments in the agenda. However, it is not probably not prudent to rely on good team-work and cooperation during the event and it is important to see if we can extend the conversation and preparation of the agenda to the wider group at an earlier stage. This could be through video or telephone conferences and/or convening members of the Exec Com a day before the meeting to finalize the agenda together over the period of a day or half a day.
- Thanks to Tomislav this community is already using a wiki for preparations. It could become even more inventive by incorporating other types of tools and practices into its repertoire for preparation. Not everyone has to meet at the same time, if meetings are recorded and transparent. This would also have the advantage of opening more spaces for informal meetings.

Conclusion and recommendations

6. Involve more people in the Exec Com at an earlier stage in the design process.
7. Invite Exec Com to the meeting one day earlier for agenda and leadership preparation for the meeting
8. Develop a set of meeting tools and practices for Exec Com meetings such as: Skype, a shared whiteboard, shared note-taking, use the wiki for brainstorming and editing documents, Adobe Connect. This would open more spaces for meeting each other to discuss different aspects of the agenda.

3. Community Leadership Coaching

- The way that we were working well and speedily as a team should not be taken for granted. It comes from having worked closely in the orchestration of several events and of the evolving style of leadership in IA CoP. There are diverse leadership styles which is both constructive and a source of tension. The positive results of the team work so far is something that should be cultivated and developed in ways to make it more robust and even more generative. My observation is that there is a lot of potential for community leadership in the IA CoP. There is already a strong leadership model from Tomislav who is always one step ahead in pushing the agenda forward. However, there are other people with different styles of leadership who may be shy in coming forward. As internal leadership is key to the success of the community of practice, and as it would be short-sighted to rely on the leadership of one person, it could be a strategic move to provide some strategic and targeted coaching or training to Exec Com members on community leadership skills.
- This coaching could take place before and after face-to-face events, where the face-to-face event provides an opportunity to practice the leadership skills presented before the meeting. The day after the meeting would be an opportunity to reflect on what happened and where to go forward. It could also be combined with "distance coaching". The Exec Committee should be responsible for leading their own learning agenda, but the kinds of coaching or training could include: writing agenda objectives, presentation skills, using new tools and technologies to support activities, developing trust, confidence-building, public speaking.

Conclusion and recommendations

9. Be strategic in developing a strong community leadership team for the IA CoP
10. Provide community leadership coaching to Exec Com members - at a distance, face-to-face or both.
11. Use the meetings as an opportunity to practice leadership skills and to reflect together on shared practice

4. Meeting activities

- There were certain activities at this meeting that were particularly successful in pushing the agenda forward. For example at the beginning of the T&C workshop we created a matrix for all countries to give an update on the current status (including challenges) of their T&C programme. This was an important activity where people felt that their context was being considered. In contrast, we had started the manual workshop with presentations by a few members of their country

manual. A number of people felt that their context was being "left out". To some extent the questionnaires sent out by Tomislav address this issue, but I think that people also like an opportunity to brief the community on what is happening for them. We should be sure that we always start a meeting with an update from countries about the current status of the issue at hand.

- Another important activity was the case clinic presented by Zamira. She was very open about sharing some of the issues she was facing. The enthusiasm and interest of other members as they tried to get deeper into those issues and to share their own experiences was noticeable. People report getting more value from this kind of activity -one that engages people in problem solving together - than they do from presentations.
- Presentations are still a significant part of the IA CoP formal agenda, despite the critical friends always asking for less! We could still work on some creative ideas for reducing the amount of time when one member talks at the audience and engaging members in more active interactions. We can also do more work in preparing presenters to give better power point presentations. This could be part of the Exec Com coaching or it could be one session for all members at one of the meetings.

Conclusion and recommendations

12. Continue to develop case clinics and case studies as a practice within PEMPAL.
13. Give coaching or training to Exec Com members or to all of PEMPAL on how to prepare a dynamic presentation.

5. Input from specialists

IA members expressed a lot of appreciation for the input from SIGMA. At this meeting we did not have a special group for Knowledge Brokers, rather these experts were integrated into the working groups at different tables. SIGMA members responded to the community adapting their presentations to the questions arising in previous sessions. They also entered in challenging interactions that respected the knowledge of the group. This new type of role, negotiated between SIGMA and IA CoP members, is very much in the spirit of a community of practice. It is not always an easy negotiation and its tenuous success should be valued and open for ongoing negotiation.

Conclusion and recommendations

14. Continue to pay attention to this relationship of mutual respect and negotiation of different types of expertise between outside specialists and IA CoP members

6. Translation for informal moments

The ongoing discussion about and reshaping of the agenda that takes place during a dynamic event included more members of the Exec Com than at previous meetings. While we improvised with the translation for Russian speakers they were excluded from some of the thinking and decisions. While not wanting to lose the fast, informal and iterative nature of those decisions it would be good to pay attention to how we could enlist the help of a translator during the breaks for those types of conversations.

Conclusion and recommendations

15. Make sure we have a translator for breaks and informal meetings of Exec Com members

7. Community meeting terminology

I think it would be helpful to use different names for different types of community meetings. For example, I observe the following types of community meetings held by the IA CoP:

- **Plenary session:** a meeting where all members attend
- **Working session:** a meeting where a smaller, focused group are working on something on behalf of the community (which they report back to the whole community)
- **Workshop:** an educational working session with the intention of getting better at doing something

Members have different sets of roles and responsibilities in these three different types of meetings and calling something a “workshop” rather than a “working session” might be misleading. Adding to the confusion is the CEF evaluation form which asks for feedback about “the seminar” and its delivery. These are the wrong questions to ask about a working session.

I have started a page on the wiki as a way to begin clarifying the different types of meetings here:

<http://pempalexec.wikispaces.com/COP+Glossary>

Conclusion and recommendations

16. Develop a shared terminology for the different types of meetings, with each one implying different types of attendance, roles, responsibilities and a different type of evaluation of success.

8. Communication tools and community building

The wiki, stewarded by Tomislav, has become a central feature of the IACoP for sharing a memory of events, documenting resources, listing members and planning meetings. Tomislav plays a key leadership role in the wiki, but it may be time to invite other CoP members to take leadership of a page within the wiki. This page could be a page about their own country or it could be a page that needs updating. Distributing “page leadership” among Exec Com members could be part of the strategic development plan and coaching.

Conclusion and recommendations

17. Develop a plan for distributing “page leadership” in the wiki.

9. Monitoring the value

While we monitor the immediate value of IA CoP meetings through formal and informal feedback there are other types of value that could be made explicit in monitoring the value of the community.

- Immediate value of what people get from the interactions and activities at the meetings
- Potential value of the knowledge capital produced at the meeting and which people can draw on in between meetings
- Applied value of how people’s practice is changing as a result of being part of the IA CoP
- Realized value of how this is changing the landscape of Internal Auditing for different stakeholders in the region

Being systematic in monitoring this value will help to show members, potential members and funders of the value of belong to the PEMPAL Internal Audit community of practice.

Conclusion and recommendations

18. Become systematic in monitoring the value across all the different elements of the community
19. Prepare a narrative based on the value creation stories that can be shared with members, potential members, sponsors and potential sponsors of IA CoP

These recommendations can be found in one document in **Annex 7**.

ANNEX 1: MANUAL WORKSHOP - FUTURE TOPICS AND PRIORITIES

Topic	Votes
QA Programme <ul style="list-style-type: none"> • Role of CHU • Internal • Semi-external CHU Association • Sequencing • KPI (unit / individual) • GAP analysis • Practice in countries 	12
Audit committee	2
Samplings materiality	9
Fraud and corruption	2
Risk assessment	14
Outsourcing / co-sourcing / smart sourcing	3
Compensation - sustainability	-
IA manual model/template	5
Evaluation of IA manual implementation	3
Statement of assurance	-
IA documents - transparency / access	2
Political awareness (tone of the top)	-
Criteria to build up IAU within institutions	8
Benefits of relationships with external bodies (CHU, SAI, Consultants, Professionals)	2
Types of audit	7

Critical friends: slide 1

IA manuals

What we have done 😊

- ❑ Presentations were interesting for all participants (IA manuals Moldova and Croatia);
- ❑ The main parts/ everybody agree/ of the IA manual o.k. ;
- ❑ Enough time for discussions, be care “clear and short”;

What should we do?!!!!!!
SUGGESTIONS 😞 😊

- ❑ Every country must have IA manual describing every stage (use good experience and best practices of other countries - where is it possible);
- ❑ Develop specific manuals (EU funds, IT, etc.);
- ❑ Next time we should discuss about risk assessment – its important for strategic and annual plan;


Critical friends: slide 2

IA manuals

What we learned?:

- ✓ Updating and improving our manuals its permanent process;
- ✓ Allow internal auditors to be creative;
- ✓ Going through the workshops we are becoming smarter;
- ✓ Its better to use practical experience;
- ✓ We should be in permanent contact with others participants to solve some problems (<http://pempaltc.wikispaces.com>)

IA – we are beautiful tulips



What people think about

You like, we did not mentioned

- Idea, topics, workshops and organisations;
- Translations;
- Sigma contributions;
- Bled and Hotel facilities;
- Constructive questions and answers;
- Practical session;
- Tomislavs enthusiam;
- Workshop is not work shop without Beverly.

You want to improve

- On wikispaces- put e mails and photos off all of participants;
- Present permanently situation in you country;
- Represent process internal auditing in some countres.

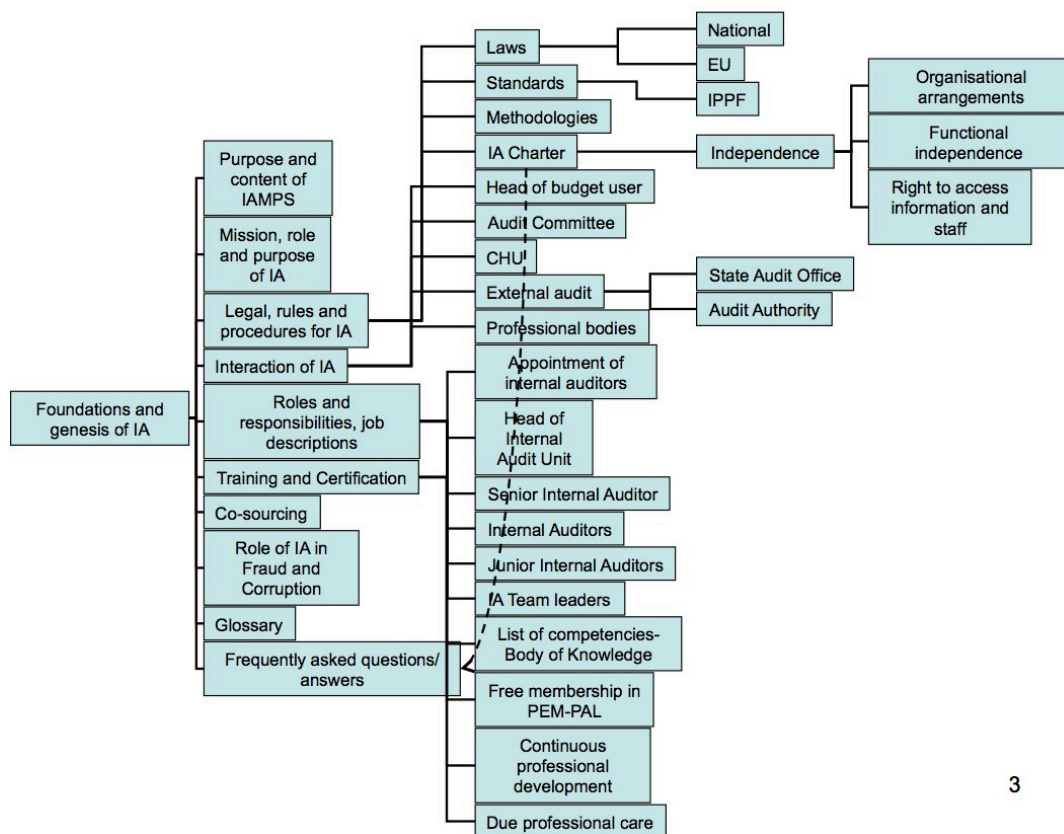
ANNEX 3: "COLLABORATIVE MATRIX" IN PREPARATION FOR THE MANUAL CONTENT



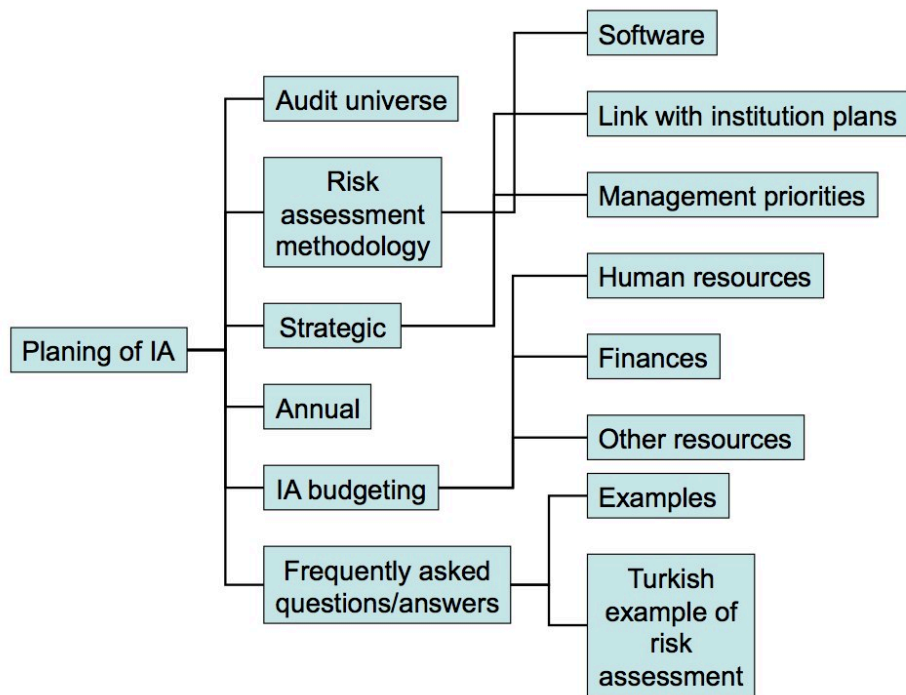
ANNEX 4: MAIN SECTIONS OF IA MANUAL

Fundamentals

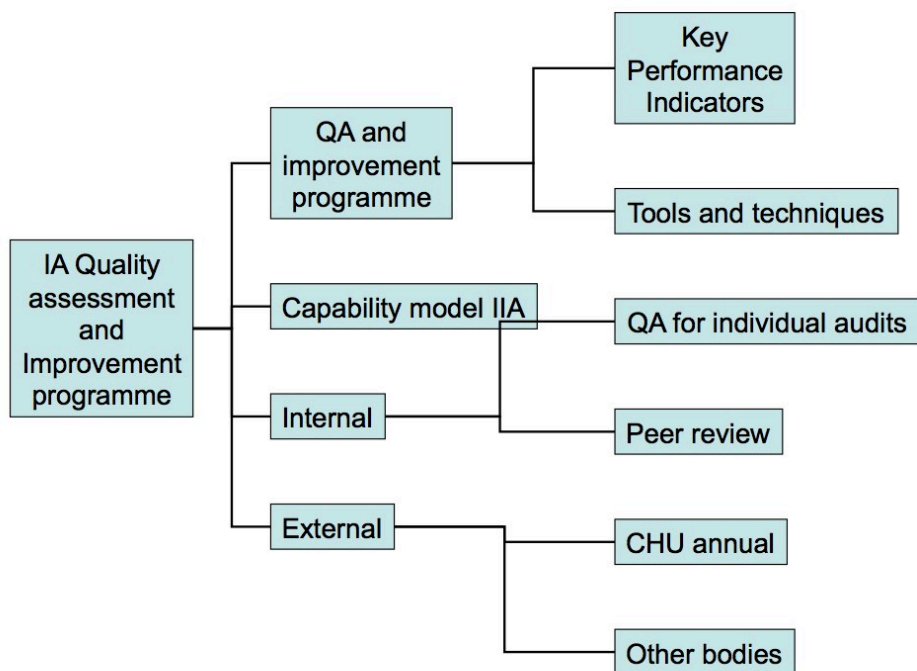
Preparation of the sections and elements of the IA manual



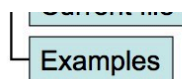
Planning



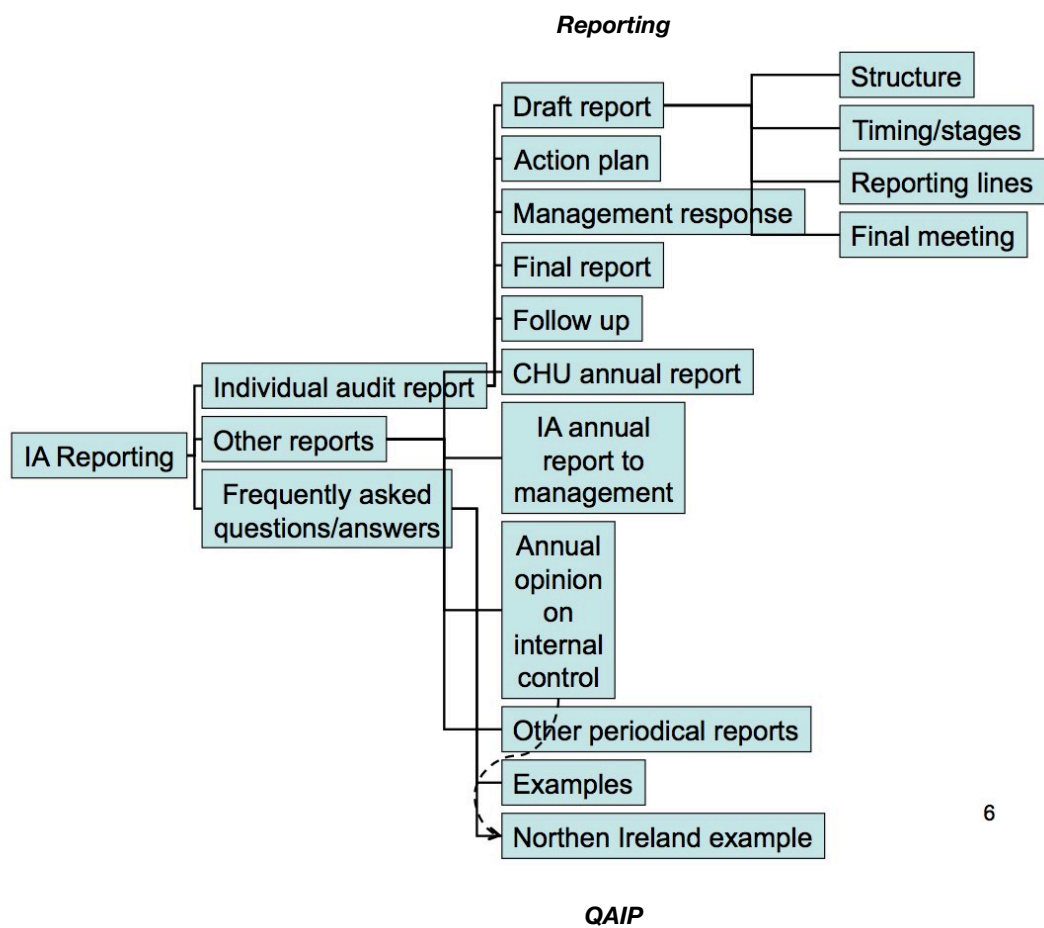
4



7



5



6

ANNEX 7: CONCLUSIONS AND RECOMMENDATIONS

1. A beautiful view, good acoustics in the room, very good technical support, free access to wifi and a printer greatly add to an atmosphere of relaxed productivity.
2. Where possible, ensure that we have access to a printer and wifi during the weekend (as well as during the meeting)
3. Make sure we have access to the room the evening before to set it up.
4. It could be helpful to have an IA facilitator box of equipment that is secure for each meeting.
5. Maintain this model of Thursday/Friday - weekend - Monday/Tuesday.
6. Involve more people in the Exec Com at an earlier stage in the design process.
7. Invite Exec Com to the meeting one day earlier for agenda and leadership preparation for the meeting
8. Develop a set of meeting tools and practices for Exec Com meetings such as: Skype, a shared whiteboard, shared note-taking, use the wiki for brainstorming and editing documents, Adobe Connect. This would open more spaces for meeting each other to discuss different aspects of the agenda.
9. Be strategic in developing a strong community leadership team for the IA CoP
10. Provide community leadership coaching to Exec Com members - at a distance, face-to-face or both.
11. Use the meetings as an opportunity to practice leadership skills and to reflect together on shared practice
12. Continue to develop case clinics and case studies as a practice within PEMPAL.
13. Give coaching or training to Exec Com members or to all of PEMPAL on how to prepare a dynamic presentation.
14. Continue to pay attention to this relationship of mutual respect and negotiation of different types of expertise between outside specialists and IA CoP members
15. Make sure we have a translator for breaks and informal meetings of Exec Com members
16. Develop a shared terminology for the different types of meetings, with each one implying different types of attendance, roles, responsibilities and a different type of evaluation of success.
17. Develop a plan for distributing "page leadership" in the wiki.
18. Become systematic in monitoring the value across all the different elements of the community
19. Prepare a narrative based on the value creation stories that can be shared with members, potential members, sponsors and potential sponsors of IA CoP