



STATE TREASURY SERVICE OF UKRAINE

UKRAINE, KIEV, STATE TREASURY OF UKRAINE, PEMIPAL

PROSPECTS OF DEVELOPMENT OF INTERNAL AUDIT IN TREASURY BODIES

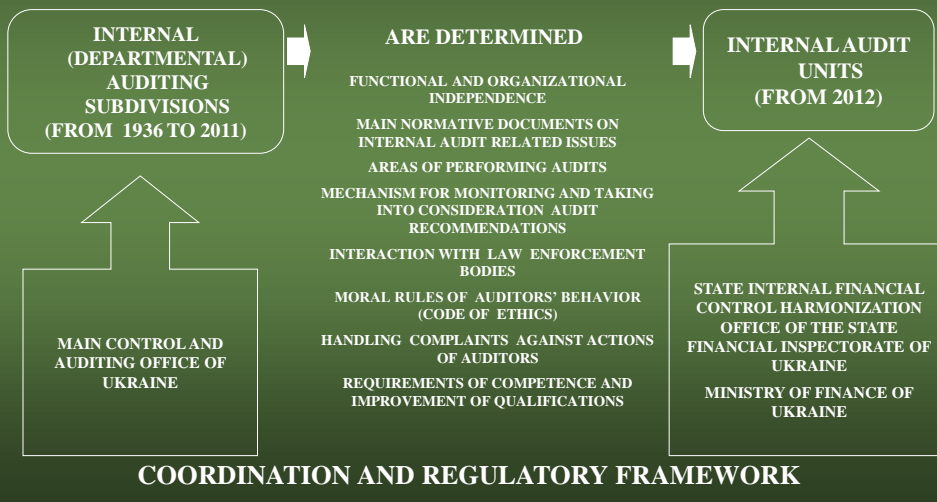
HEAD OF THE INTERNAL AUDIT AND CONTROL OFFICE

TATYANA SIDORENKO



UKRAINE, KIEV, STATE TREASURY OF UKRAINE, PEMIPAL

REORGANIZATION OF INTERNAL CONTROL AND AUDITING WORK INTO AUDIT





UKRAINE, KIEV, STATE TREASURY OF UKRAINE, PEN PAL

INTERNAL AUDIT UNITS IN CENTRAL BODIES OF THE EXECUTIVE POWER OF UKRAINE (AS OF 01.01.2013)

NUMBER OF CENTRAL EXECUTIVE POWER BODIES, WHERE INTERNAL AUDIT UNITS WERE ESTABLISHED (OR A RELEVANT POSITION WAS INTRODUCED)



76 CENTRAL EXECUTIVE POWER BODIES

NUMBER OF INTERNAL AUDITORS IN CENTRAL EXECUTIVE POWER BODIES AND IN THEIR TERRITORIAL OFFICES



SCHEDULED STAFF - 1756 PERSONS, ACTUALLY - 1447 PERSONS

NUMBER OF PERFORMED AUDITS



3263 AUDITS FOR 2012



UKRAINE, KIEV, STATE TREASURY OF UKRAINE, PEN PAL

AUDIT STRUCTURE OF THE TREASURY

INTERNAL AUDIT AND CONTROL OFFICE



NUMBER OF STAFF MEMBERS IN THE OFFICE – 11

NUMBER OF SECTORS - 88

NUMBER OF CONTROLLED ENTITIES,
INCLUDING THE TREASURY
EXECUTIVE OFFICE – 661

INTERNAL
AUDIT
DEPARTMENT



COORDINATION
AND CONTROL
DEPARTMENT



27 SECTORS OF INTERNAL AUDIT AND CONTROL
IN TREASURY BODIES OF THE AUTONOMOUS REPUBLIC OF THE CRIMEA,
IN OBLASTS, AND IN THE CITIES OF KIEV AND SEVASTOPOL



UKRAINE, KIEV, STATE TREASURY OF UKRAINE, PEMIPAL

CONDUCTING AUDITS IN THE TREASURY

INTERNAL CONTROL AND AUDIT OFFICE



THE EXECUTIVE OFFICE OF THE TREASURY AND 27 MAIN OFFICES IN THE AUTONOMOUS REPUBLIC OF THE CRIMEA, OBLASTS, IN THE CITIES OF KIEV AND SEVASTOPOL

HAS THE RIGHT TO CARRY OUT AUDITS IN DISTRICTS, IN MUNICIPAL AND DISTRICT (IN THE CITIES) OFFICES OF THE STATE TREASURY SERVICE IN UKRAINE



27 SECTORS OF INTERNAL AUDIT AND CONTROL IN TREASURY BODIES OF THE AUTONOMOUS REPUBLIC OF THE CRIMEA, IN OBLASTS, AND IN THE CITIES OF KIEV AND SEVASTOPOL

DISTRICTS, MUNICIPAL AND DISTRICT (IN THE CITIES) OFFICES OF THE STATE TREASURY SERVICE IN UKRAINE (633 CONTROLLED ENTITIES)



UKRAINE, KIEV, STATE TREASURY OF UKRAINE, PEMIPAL

TRAINING OF THE FIRST INTERNAL AUDITORS OF UKRAINE

A TWO MONTH TRAINING COURSE: "INTERNAL CONTROL AND AUDIT IN THE PUBLIC GOVERNANCE SECTOR OF UKRAINE AND EUROPEAN EXPERIENCE" (FOR 100 AUDITORS IN CENTRAL BODIES OF EXECUTIVE POWER)



STATE FINANCIAL INSPECTORATE OF UKRAINE WITH SUPPORT AND WITH PARTICIPATION OF REPRESENTATIVES OF THE MINISTRY OF FINANCE OF THE KINGDOM OF THE NETHERLANDS

TRAINING COURSES FOR TERRITORIAL EMPLOYEES OF TREASURY OFFICES FOR INTERNAL AUDIT



STATE TREASURY SERVICE OF UKRAINE WITH PARTICIPATION OF LEADING SPECIALISTS OF THE KIEV NATIONAL TRADE AND ECONOMIC UNIVERSITY AND THE STATE FINANCIAL INSPECTORATE OF UKRAINE



UKRAINE, KIEV, STATE TREASURY OF UKRAINE, PEMIPAL

REGULATORY FRAMEWORK

ON THE LEGISLATIVE LEVEL



ARTICLE 26 OF THE BUDGET CODE OF UKRAINE STIPULATES MANDATORY REQUIREMENT OF EXISTENCE OF AUDIT UNITS IN ALL BODIES OF EXECUTIVE POWER

ON THE LEVEL OF THE SECONDARY LEGISLATION



THE CABINET OF MINISTERS OF UKRAINE ADOPTED REGULATION ON APPROVAL OF THE PROCEDURE FOR ESTABLISHMENT OF STRUCTURAL UNITS OF INTERNAL AUDIT AND FOR CARRYING OUT SUCH AUDITS IN EXECUTIVE POWER BODIES, OF 28. 09. 2011, No. 1001



THE MINISTRY OF FINANCE OF UKRAINE APPROVED THE INTERNAL AUDIT STANDARDS (ORDER OF 04. 10. 2011, No. 1247), THE CODE OF ETHICS FOR EMPLOYEES OF THE INTERNAL AUDIT UNIT (ORDER OF 29. 09. 2011, No. 1217) AND METHODOLOGICAL RECOMMENDATIONS ON ORGANIZATION OF INTERNAL CONTROL (ORDER OF 14. 09. 2012, No. 995)

ON THE INTERNAL LEVEL



ADOPTION OF THE PROCEDURE FOR CARRYING OUT INTERNAL AUDITS IN THE BODIES OF THE STATE TREASURY SERVICE OF UKRAINE (ORDER OF 08. 06. 2012, No. 175), APPROVAL OF THE DATA BASE OF INTERNAL AUDITS, INTRODUCTION OF CHANGES IN INTERNAL DOCUMENTS OF THE STATE TREASURY SERVICE OF UKRAINE RELATED TO CHANGES OF FUNCTIONS OF THE AUDIT UNITS



UKRAINE, KIEV, STATE TREASURY OF UKRAINE, PEMIPAL

SCOPE OF APPLYING INTERNAL AUDIT

EVALUATION OF ACTIVITIES OF THE INSTITUTION WITH RESPECT TO THE FOLLOWING:



1. EFFICIENCY OF FUNCTIONING OF THE INTERNAL CONTROL SYSTEM, THE DEGREE OF EXECUTION AND ACHIEVEMENT OF GOALS SET IN STRATEGIC AND ANNUAL PLANS, EFFICIENCY OF PLANNING OF EXECUTION OF BUDGET PROGRAMS AND RESULTS OF THEIR EXECUTION, QUALITY OF PROVISION OF ADMINISTRATIVE SERVICES AND CARRYING OUT OF CONTROL AND AUDIT FUNCTIONS, TASKS ENVISIONED IN LEGAL ACTS, AND ALSO RISKS, WHICH NEGATIVELY AFFECT OBJECTIVES OF THE INSTITUTION
(PERFORMANCE AUDIT)

2. LEGALITY AND AUTHENTICITY OF FINANCIAL AND FISCAL REPORTING, CORRECTNESS OF MAINTENANCE OF ACCOUNTING
(FINANCIAL AUDIT)

3. COMPLIANCE WITH THE PROVISIONS OF LEGAL ACTS, PLANS, PROCEDURES, CONTRACTS IN CONNECTION WITH ISSUES RELATED TO THE SAFE STATE OF ASSETS, INFORMATION AND MANAGEMENT OF THE STATE PROPERTY
(COMPLIANCE AUDIT)



UKRAINE, KIEV, STATE TREASURY OF UKRAINE, PEMIPAL

THE MAIN TASK OF AUDIT UNITS IS

TO PROVIDE TO THE HEAD OF THE MINISTRY (ORGANIZATION, INSTITUTION) OBJECTIVE AND INDEPENDENT CONCLUSIONS AND RECOMMENDATIONS WITH RESPECT TO THE FOLLOWING:



FUNCTIONING OF THE INTERNAL CONTROL SYSTEM AND WAYS TO IMPROVE IT

IMPROVEMENT OF THE GOVERNANCE SYSTEM

PREVENTION OF FACTS OF ILLEGAL, INEFFICIENT AND INEFFECTIVE USE OF BUDGETARY FUNDS

PREVENTION OF OCCURRENCE OF VIOLATIONS IN OPERATIONS OF THE CENTRAL BODY OF EXECUTIVE POWER AND ITS TERRITORIAL OFFICES



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COMPETENCES OF SPECIALISTS OF INTERNAL AUDIT UNITS OF THE TREASURY

TO DETERMINE GOALS, METHODS AND RESOURCES NEEDED TO CARRY OUT EACH AUDIT TESTS

TO HAVE FULL AND UNOBSTRUCTED ACCESS TO DOCUMENTS, INFORMATION AND DATA BASES RELATED TO AUDIT ENGAGEMENTS

TO CARRY OUT SURVEYS, POLLS AND INTERVIEWS WITH EMPLOYEES OF THE TREASURY, AND ALSO TO SEND INQUIRIES TO LEGAL ENTITIES FOR THE PURPOSE OF GETTING NECESSARY INFORMATION TO CARRY OUT INTERNAL AUDITS

TO INITIATE INVOLVEMENT OF AN EXPERT FROM A DIFFERENT POWER BODY AND TO INVITE, IF NECESSARY, SPECIALISTS FROM OTHER UNITS TO PARTICIPATE IN PERFORMANCE OF INTERNAL AUDITS

TO PROVIDE THE MANAGEMENT WITH CONCLUSIONS AND OPINIONS ON THE RESULTS OF AUDIT TESTS

TO PRESENT RECOMMENDATIONS BOTH TO AUDITED ENTITIES AND TO THE MANAGEMENT OF THE ORGANIZATION



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PLANNING OF AUDITS IN THE TREASURY

EVALUATION IS CARRIED OUT OF ENTITIES SUBJECT TO INTERNAL AUDIT, THIS EVALUATION DETERMINES THE TOPIC OF THE INTERNAL AUDIT, PLANNING IS DONE TWICE A YEAR 15 CALENDAR DAYS PRIOR TO THE BEGINNING OF THE NEXT SIX MONTHS



THE MAIN CRITERION FOR DETERMINING ENTITIES SUBJECT TO INTERNAL AUDIT IS FREQUENCY OF COVERAGE OF THE CONTROLLED NETWORK

CORRECTNESS OF MAINTENANCE OF ACCOUNTING

EXECUTION AND RESULTS OF EXECUTION OF BUDGETARY PROGRAMS

QUALITY OF CARRYING OUT CONTROL AND SUPERVISORY FUNCTIONS

PROPOSALS MADE BY STRUCTURAL UNITS OF THE STATE TREASURY SERVICE OF UKRAINE ARE TAKEN INTO CONSIDERATION

THE PLANS ARE COORDINATED BY THE STATE FINANCIAL INSPECTORATE OF UKRAINE AND ARE APPROVED BY THE HEAD OF THE TREASURY



UKRAINE, KIEV, STATE TREASURY OF UKRAINE, PEMIPAL

SYSTEM OF INTERNAL CONTROL IN THE TREASURY

TECHNOLOGICAL REGULATIONS WERE APPROVED ON THE FOLLOWING FUNCTIONS



SERVICING BUDGETS, BUDGET OWNERS AND RECIPIENTS OF BUDGETARY FUNDS, OTHER CLIENTS

MANAGEMENT OF FINANCIAL RESOURCES

MAINTENANCE OF ACCOUNTING AND PREPARATION OF REPORTS

EXERCISING AUTHORITIES OF SPENDING UNITS

STRUCTURE OF THE TECHNOLOGICAL REGULATION

FUNCTION

PROCESS

LIST OF ADOPTED ACRONYMS

BRIEF DESCRIPTION OF THE PROCESS

MAIN NOTIONS: NORMATIVE – REGULATORY ACTS THAT REGULATE EXECUTION OF THE PROCESS, ASSIGNING OF DOCUMENTS; DOCUMENT FLOW; PARTICIPANTS OF THE PROCESS; APPLIED SOFTWARE

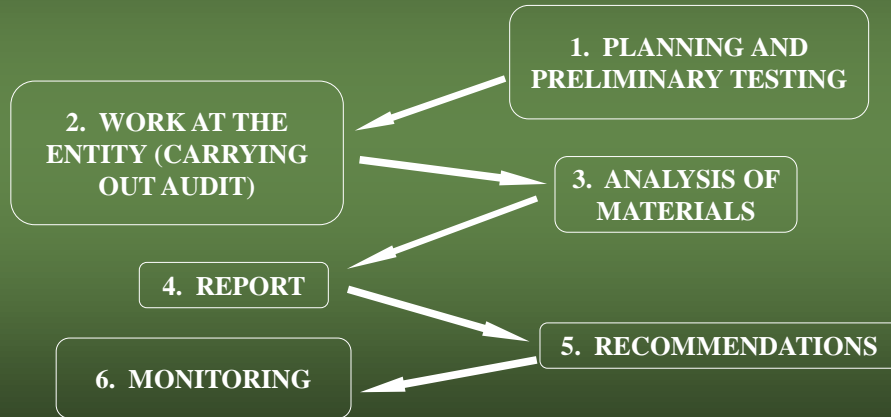
OPERATION FLOW CHART

GRAPHICAL PROCESS FLOW CHART



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STAGES OF AUDIT



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INFORMATION ON AUDITS IN THE TREASURY FOR YEAR 2012

NUMBER OF CARRIED OUT AUDITS



BY THE OFFICE – 11 AUDITS

BY SECTORS - 229 AUDITS

PREPARED OPINIONS (CONCLUSIONS)



31 NEGATIVE, 199 CONDITIONALLY POSITIVE AND
9 UNCONDITIONALLY POSITIVE OPINIONS



UKRAINE, KIEV, STATE TREASURY OF UKRAINE, PEMIPAL

RESULTS OF ACTIVITIES OF INTERNAL AUDIT IN THE TREASURY FOR YEAR 2012

MANAGERIAL DECISIONS



ORDER OF THE STATE TREASURY SERVICE OF UKRAINE OF 29.12.2012, No. 394,
METHODOLOGICAL RECOMMENDATIONS TO THE PROCEDURE FOR APPLYING BY THE BODIES OF
THE STATE TREASURY SERVICE OF UKRAINE OF ENFORCEMENT ACTIONS IN CASE OF VIOLATION
OF THE BUDGET LEGISLATION

ORDER OF THE STATE TREASURY SERVICE OF UKRAINE OF 20.02.2013, No. 30, ON PROVISION TO
PROSECUTOR'S OFFICE OF INFORMATION RELATED TO APPLICATION OF ENFORCEMENT ACTIONS
IN CASE OF VIOLATION OF THE BUDGET LEGISLATION IN THE PROCESS OF TREASURY SERVICES
OF BUDGETARY FUNDS



218 MANAGERIAL DECISIONS, INCLUDING 24 COLLECTIVE DECISIONS,
166 ORDERS



UKRAINE, KIEV, STATE TREASURY OF UKRAINE, PEMIPAL

DEVELOPMENT OF INTERNAL AUDIT IN THE TREASURY AND IN OTHER MINISTRIES WOULD BE CARRIED OUT WITH

SUPPORT OF THE REFORMS ON THE HIGHEST LEVEL OF CONSISTENCY AND STABILITY OF POLICIES
AT ALL LEVELS

SUPPORT FROM INTERNATIONAL ORGANIZATIONS

UNDERSTANDING OF REFORMS AND THEIR RESULTS BY EACH EMPLOYEE OF THE INSTITUTION

ORIENTATION OF ACTIVITIES OF INTERNAL AUDIT TOWARDS STUDYING AND ELABORATION OF THE
RISK MANAGEMENT SYSTEMS

THANK YOU FOR ATTENTION