




# Court of Audit



**EUROSAI – ECIIA joint paper**  
**Mapping coordination & cooperation**  
**between SAIs & internal auditors in Europe**  
**Implementation of INTOSAI GOV 9150**

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Court of Audit of Belgium

*Cour des comptes – Rekenhof*



## INTOSAI GOV 9150

### *Coordination and Cooperation between SAls and Internal Auditors in the Public Sector (2010)*

- Roles and responsibilities of internal audit and SAls
- Benefits and potential risks of coordination and cooperation
- Grounds for coordination and cooperation (4 C)
- Modes of cooperation
- Ways to organize coordination and cooperation
- Areas of coordination and cooperation
- Phases & content of coordination and cooperation



## *Voting 1*

- *Over the past years INTOSAI GOV 9150 has been really relevant for structuring relations between my SAI and internal auditors in the public sector of my country*



# Overall impressions of mapping exercise

- Patchwork





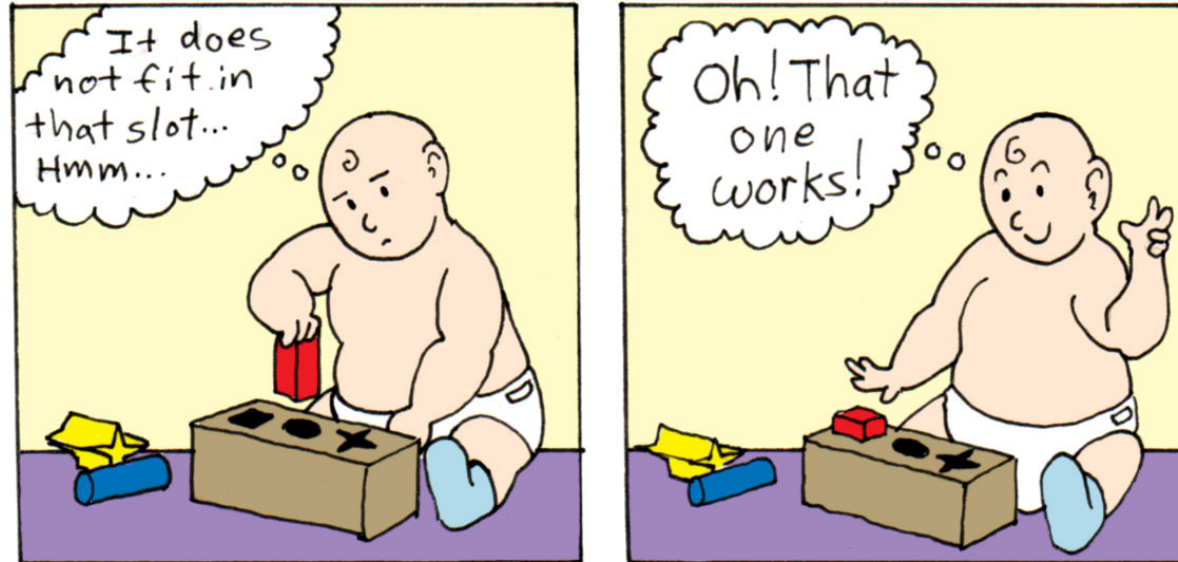
## Overall impressions of mapping exercise

- Work in progress




































# Overall impressions of mapping exercise

- Trial and error



# Overall impressions of mapping exercise

- Grey zones

Subject	Negative	Print	Zone	
			X	Pure white; light sources & spectral reflections.
			IX	Slight tone without texture; glaring snow.
			VIII	Lightest tone with texture; textured snow.
			VII	Very light skin; shadows in snow with acute sidelighting.
			VI	Average Caucasian Skin; Light Stone; Shadows on snow in sunlit landscapes.
			V	<b>18% REFLECTANCE GRAY (Middle Gray)</b> clear north sky; dark skin, average weathered wood
			IV	Average dark foliage, dark stone, or landscape shadows.
			III	Average dark materials and low values showing adequate texture.
			II	Textured black; the darkest part of the image in which slight detail is recorded.
			I	Near black with slight tonality but no texture.
			0	Pure black.





## Overall impressions of mapping exercise

- Reality and perception





## Overall impressions of mapping exercise

- Risks and remedies

# **21** Home Remedies for Migraines & Headaches





## EUROSAI-ECIIA Cooperation framework

- Memorandum of Understanding between INTOSAI PSC and The IIA, 2007, 2010, 2014
- Cooperation Agreement between EUROSAI and European Confederation of Institutes of Internal Auditing (ECIIA), 2011, 2014
- EUROSAI Goal Team 2 (chair: SAI Germany)



## EUROSAI-ECIIA Cooperation focus

- EUROSAI :
  - Implementation of INTOSAI GOV 9150 on “Coordination and Cooperation between SAIs and Internal Auditors in the Public Sector” (2010)
- ECIIA :
  - Implementation of IIA Standard and Practice Advisory 2050 on “Coordination” (2009/2013)



## EUROSAI-ECIIA Editorial committee

- EUROSAI :
  - SAI Belgium (chair) : Wim François, Philip Mariscal, David Maris
  - SAI Germany : Axel Böcher
  - SAI Poland : Kamila Zyndul, Anna Olesiewicz
  - assisted by EUROSAI Secretariat (SAI Spain)
- ECIIA :
  - IIA Spain (chair) : Juan Ignacio Ruiz Zorrilla, Soledad Llamas, Elena Lucas
  - IIA UK & Ireland : Melvyn Neate



## Concept of joint paper (EUROSAI)

- Relations between SAIs and internal auditors seemed to be essentially determined by national law, administrative characteristics of national jurisdictions and national auditing practices
- Elaborating European-wide implementation guidance for INTOSAI GOV 9150 was not option in time frame at disposal (until June 2014)
- > Survey national SAI – internal audit relations along main lines of INTOSAI GOV 9150



## Concept of joint paper (EUROSAI)

- Survey response rate (quantity and quality of responses), translation issue, limited time frame
- > June 2014 deliverable expected to be incomplete and intermediate product
- Joint paper also to facilitate preparation and implementation of reviewed Cooperation Agreement (2014)



## Questionnaires and responses

(November 2013 - February 2014)

- EUROSAI questionnaire to EUROSAI member SAIs: completed by 25 out of 50
- ECIIA questionnaire (1) to National Institutes ECIIA members: completed by 20 out of 32
- ECIIA questionnaire (2) to public sector internal audit entities via National Institutes: completed by 42 entities from 6 countries





## *Voting 2*

- *Coordination & cooperation between my SAI and internal auditors in the public sector of my country is:*
  - *for the most part an informal process*
  - *that is difficult to assess from my position*



## Main conclusions - EUROSAI

- Existence of public sector internal audit and its degree of development, hence relations between SAIs and internal auditors, vary widely among jurisdictions (even within subregions of Europe) and within jurisdictions
- Audit committees exist in at least some entities in a majority of jurisdictions, but rarely play a role in contacts between SAIs and internal auditors
- There is legislation on coordination/cooperation in half of jurisdictions and a formal agreement in a third of jurisdictions



## Main conclusions - EUROSAI

- A large majority of SAIs state using international standards/guidance on coordination/cooperation (mostly ISSAI 1610/ ISA 610, INTOSAI GOV 9140 & 9150)
- Only a minority of SAIs have written SAI internal rules (auditing manual/guidance, checklist ...) on coordination/cooperation



## Main conclusions - EUROSAI

- Wording “informal” is often used by SAIs to describe way coordination/cooperation is arranged
- Only a small number of SAIs disclose or report externally on informal coordination/cooperation
- It is more difficult to assess an informal arrangement and to ensure the quality of its implementation



## Main conclusions - EUROSAI

- Almost all SAIs have experienced following benefits from coordination/cooperation :
  - Exchange of ideas and knowledge
  - Strengthened mutual ability to promote good governance and accountability practices
  - More effective and efficient audits based on clearer understanding of respective audit roles and refined audit scope



## Main conclusions - EUROSAI

- Half of SAIs have experienced risks or see potential risks, mainly :
  - Possible difference of conclusions or opinions on subject matter
  - Use of different professional standards
  - Dilution of responsibilities
  - Misinterpretation of conclusions when using each other's work



## Main conclusions - EUROSAI


- Common modes of coordination/cooperation :
  - Communication of audit reports
  - Regular meetings
  - Use of aspects of each other's work
- Common areas of coordination/cooperation :
  - Evaluating internal control & risk management
  - Evaluating compliance with laws and regulations
  - Documenting systems and operational processes
- Explicit rules on confidentiality are rare



## Main conclusions – ECIIA (National Institutes)

- Public sector membership of National Institutes varies widely among jurisdictions
- In public sector there is no relation between mandatory internal audit function and mandatory QA and/or CIA certification
- In public sector there is relation between QA certification of internal audit entities and CIA or equivalent certification of internal auditors





## Main conclusions – ECIIA (Public sector internal audit entities)

- SAs only use internal audit findings in minority of public sector bodies they audit
- Most public sector internal audit entities state applying International Professional Practices Framework
- In public sector bodies, risk management department is more frequent than compliance department; both are mostly separated from internal audit department



## *Question*

- *As regards relations between your SAI and internal auditors in the public sector of your country in the years to come, do you have concrete expectations or demands towards EUROSAI to assist in any way in this process?*



## EUROSAI-ECIIA What next?

- In some national contexts, status of internal audit versus SAI remains unsolved and contentious, being co-auditor and part of audited entity
- From international comparative perspective, relations SAI – internal auditors in public sector remain in part “terra incognita” > map more systematically what IS and what COULD BE (?)



## EUROSAI-ECIIA What next?

- In coming years EUROSAI and ECIIA could (?):
  - Clarify basic concepts that are important in implementation of international standards/guidance
  - Assist to formalize arrangements taking into account specific national context
  - Contribute to review of INTOSAI and IIA standards/guidance on SAI – internal audit relations



[WWW.EUROSAL.ORG](http://WWW.EUROSAL.ORG)  
[WWW.ECIIA.EU](http://WWW.ECIIA.EU)