



Principle 13 – Quality and Standards: Peer Review

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Problems in the year 2009

- historical grown organisational structure
- no internal overall concept of audit
- in parts random selection of audit subjects
- inadequate documentation of all duties
- inconsistent positioning in regard to comparable questions (grants, procurement)
- inadequate staff policy plan
- inadequate description of posts, working field and job description
- out-of-date IT- and ability to communicate



Approaches to solve the problems

- external expert opinion: question of know-how
- internal organizational investigation: no capacity
- **Please transmit decision to the Federal Court of Audit in the FRG including experience in executing a peer reviews**
- requirement
- basis international standards
- independence of investigation (problem of judicial independence of the members of the courts of audit), confidentiality
- publicity of the investigation (under discussion: President of the State Parliament, Minister of Finance, parliamentary budgetary appropriation committee and parliamentary commission of finances), contradictory procedure
- informing staff committee and staff



Memorandum of Understanding

- goals and overall concept of the peer review
- Peer Review Team
- offer guarantee to provided documents and data files for insight
- confidentiality of conversation and observation
- administrative regulation (expenses for travel, expenses for overnight accommodation and costs of meal, person to contact, procurement of person to contact, rooms, IT-support, providing necessary documents)
- timetable and reporting (start, end, intermediate information, contradictory procedure)
- final agreement relating to exploitation right, using within INTOSAI-subcommittee



The major goals of the peer reviews

- critical reflection of the detected tasks
- used procedure and method
- evaluation of task accomplishment in regard to effectiveness and efficiency through the court of audit
- internal relocation of expertise
- internal communication
- having an internal control mechanism
- organizational structure including branch offices
- strategic controlling in regard to operational work
- databased knowledge and information management
- compliance with international standard in the sector of public relations

Execution of the audit (1)

- audit team: 1 audit project leader, 5 auditors
- timing of audit procedures: November 2009 until February 2010
- interviews in all audit divisions
- interviews with the parliament of the State, Ministry of Finance, parliamentary budgetary appropriation committee and parliamentary commission of finances
- audit draft report, contradictory procedure
- closing meeting President and head of private office with vice president of the Federal Court of Audit and peer review team



Execution of the audit (2)

- discussion with President of the State Parliament
- pre-information notice to the staff committee
- audit report was uploaded into the intranet
- evaluation and presenting the audit report in the general staff meeting and the top executives meeting

Peer review report: 6 essential points of development of financial control



- overall concept of the court of audit
- task analysis, key process audit
- organisation and management, IT (information technology) / communication and management of knowledge
- strategic planning of audit
- internal control system of audit
- benefit and follow-up



Putting knowledge into practise

- work groups „key process audit“, „overall concept“, „management of health“
- periodical job consultation in the divisions and units
- each year 2 meetings of the managers (head of division and head of unit)
- meetings of financial control with all members of the staff
- periodical workshops (building, social, budget, local government audit, double-entry accounting ...)
- new auditing standards, own rules of procedure – deregulation, self-responsibility
- pilot project „home-work“, establishment agreement „home-work“, currently pilot project „tele-work“, project management „key process audit“



What did we achieve? (1)

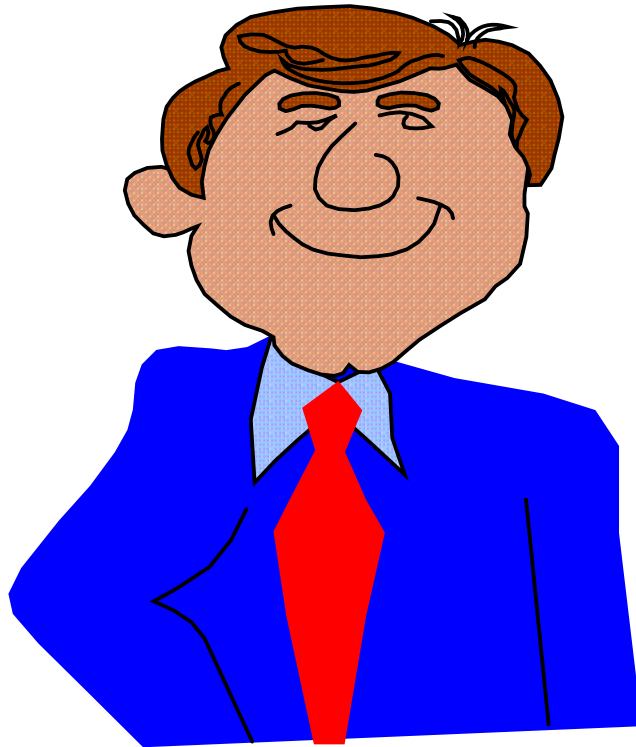
- overall concept: task (mission), strategic goals (vision), essential methods of putting into practise (standards)
- task analysis: systematic inquiry of tasks (in all divisions of audit and administration)
- design and documentation of descriptions (posts / working field / jobs)
- definition of task, competence and responsibility
- systematic and clear documentation of tasks
- definition of strategic audit priority, risk analysis
- restructuring of audit divisions, administration and division of the president

What did we achieve? (2)

- systematic and yearly audit planning (unified selection criteria)
- sustainability of financial control / follow-up with risk analysis
- unified selection criteria for new audits:
 - synergy effects / repercussions
 - distance of time of last audit
 - financial importance / number of posts
 - publicity
- management of knowledge – documentation and Follow-up – software programme „PrüfDok“
- liquidation sub-offices
- implementation internal audit service



Thank you for your attention!



... any more questions?