

24TH ESAAG ANNUAL INTERNATIONAL CONFERENCE

27 FEBRUARY - 02 MARCH 2017 | JOHANNESBURG | SOUTH AFRICA

Ensuring transparency and accountability in
Public Finance Management

Role of Internal Audit in Improving Fiscal Integrity

Presenter: Muondu Daniel | Azizi Consulting | 27 February 2017 |

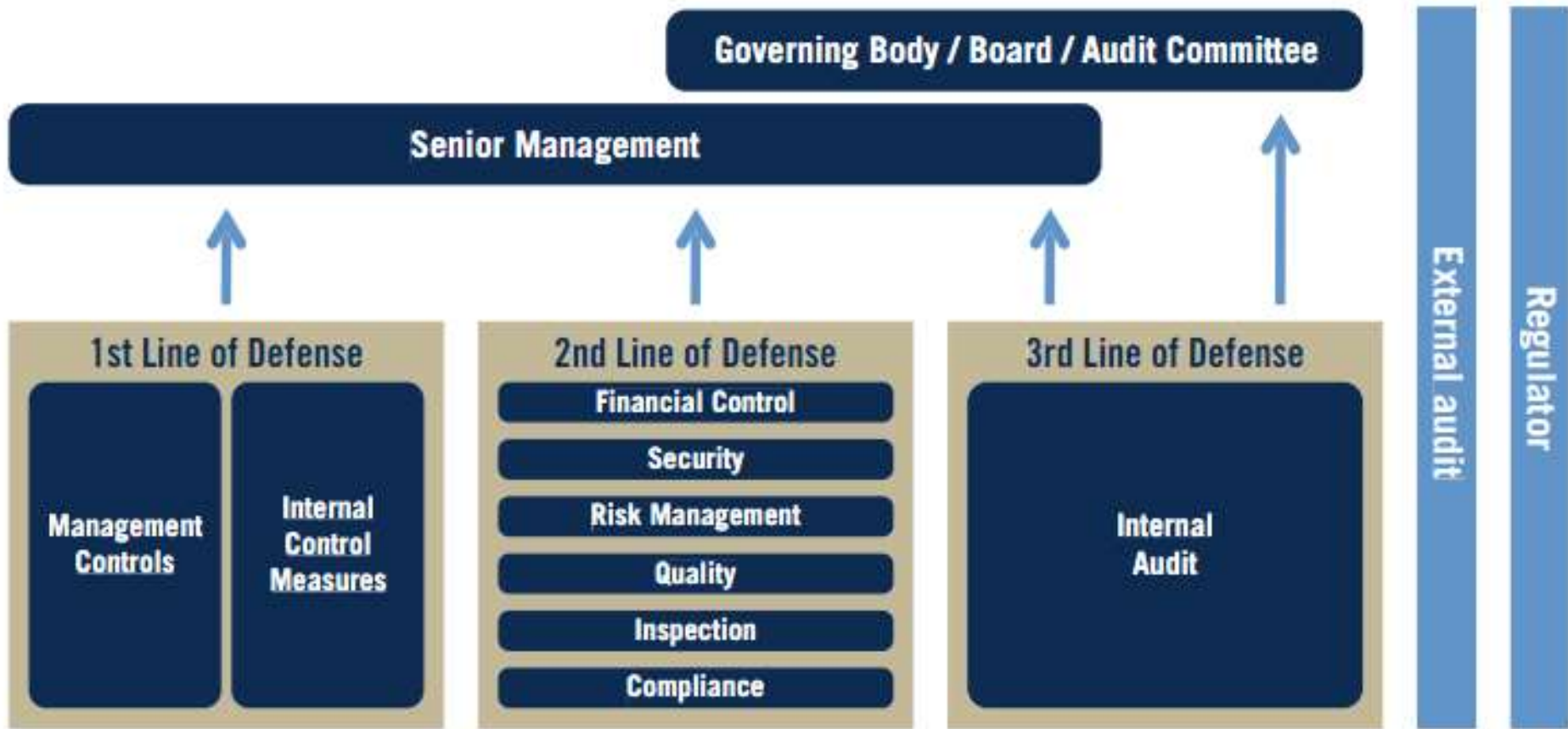


national treasury

Department:
National Treasurer
REPUBLIC OF SOUTH AFRICA

Internal Audit role

The Three Lines of Defense Model



Internal Audit Value Proposition

- Reliance by management and governance bodies that 1st and 2nd levels of defence are working
- ✓ Provide **objective assurance** and **insight** on effectiveness and efficiency of governance, compliance, risk management and internal control.



Assurance

- Assurance whether management actions will ensure achievement of **financial**, strategic, operational and compliance objectives.

✓ **Governance**: leadership & oversight over risk management and control frameworks.

✓ **Risk management**: identification of financial exposures and mitigation strategies.

✓ **Control framework**: accounting policies, principles, processes and procedures are well designed and effectively working.



Insight

Improving effectiveness and efficiency by providing insight and recommendations based on data analytics and process assessments.

- ✓ **Analyses**: of financial systems, data and information and provides insight into process improvements.
- ✓ **Assessments**: of efficiency and effectiveness of operations and protection of resources in achieving organization objectives.



Catalyst: evaluate processes, reports findings and recommends appropriate courses of action; and advises on key projects/initiatives.

Objectivity

Commitment to integrity and accountability, Internal Auditing provides value as an independent source of objective advice.

- ✓ **Integrity**: Grounded in professionalism through professional *Standards, Code of Ethics* and enhances corporate culture.
- ✓ **Accountable**: competence, quality and excellence.



- ✓ **Independence**: maintains objectivity by not assuming any operational responsibilities. Independent but internal

Questions & Answers



Source: The New York Times

Here's something to chew on ...

Accountants typically help you avoid sticky situations, but not Walter Diemer. He's the accountant who invented bubble gum in 1928.

