REPORT ON THE
LEARNING AND CONSULTATION
WORKSHOP
MODERNIZING INTERNAL AUDIT

5-6 December 2016 — Athens, Greece
**Objectives of the workshop**

- Obtain input from practitioners in internal audit, control and investigations across the Greek Public Service for the preparation of the Technical Report on the Mapping and Gap Analysis of Internal Audit within the Greek Public Administration as well as key project Outcome 1 deliverables: the development of an audit manual and e-platform to assist in modernizing audit processes and planning; as well as assist in identifying potential improvements to complaints management processes as part of Outcome 6.
- Learning from international experiences of other OECD member countries about Control and Internal Audit
- Hands-on learning sessions on performance auditing, risk-based audit planning, fraud risk assessments and more…
  - Focus on leading practices in Greek ministry internal Audit Units
  - Sharing of views among audit and control practitioners
  - Breakout sessions on core project deliverables

**Day 1: Learning Day**

To facilitate meaningful consultations by promoting learning from international practices in internal audit and control. Experts from OECD member countries will share their approaches to internal audit, as well as undertake a number of learning sessions on key audit activities such as performance auditing, risk-based audit planning, investigations, and Fraud and Corruption Risk Management Frameworks.

**Day 2: Consultation Day**

To promote a discussion on current audit, investigation and control practices within the Greek public administration. As the central focus of the workshop is to promote consultations to assist in the development of “hands-on “tools to assist in modernizing internal audit, it will include interactive break-out consultation sessions based upon core project deliverables.
WORKSHOP KEY FIGURES

- 133 participants
- 15 General Secretariat and OECD officials
- 12 sessions with over 27 speakers
- 35 governmental organizations
- 15 presentations
- Interactive video and live streaming

PARTICIPATING ORGANISATIONS

1. Inspectorate Body for Health and Welfare Services
2. Inspectors Controllers Body of Public Administration
3. Inspectors Body of Public Works
4. Inspectorate Body of Ministry of Transports and Communications
5. General Inspector of Public Administration
6. General Accounting Office
7. General Secretariat of Public Revenues
8. General Secretariat of Information Systems
9. Ministry of Agriculture and Food
10. Ministry of Justice, Transparency and Human Rights
11. Ministry of Finance
12. Ministry of Administrative Reconstruction
14. Ministry of Labor
15. Ministry of Interior
16. Ministry of Culture and Sports
17. Ministry of Infrastructure and Transports
18. Ministry of Digital Policy
19. Ministry of Tourism
20. Ministry of Foreign Affairs
21. Ministry of Education
22. Ministry of Economy and Development
23. Ministry of Maritime Affairs
24. Municipality of Athens
25. Municipality of Thessaloniki
26. Region of Attica
27. Decentralized Administration of Attica
28. Hellenic Gaming Commission
29. Institute of Educational Policy
30. Greek Ombudsman
31. SPPA - Single Public Procurement Authority
32. Special Agency of State Aid
33. Hellenic Electricity Distribution Network Operator
34. Court Of Auditors
35. Hellenic Chapter, IIA

In the media

"The government's main priority is the fight against corruption"  

Mr. Flambouraris pointed out the following issues as the government's main goals:
- Rationalization and transparency in the financial and administrative operation of the Greek public sector and the local government
- Regulate the relationship between the public and the private sectors
- Rupture unfair financial practices

Key Media Links:

1. ERT
2. Naftemporiki
3. AYGI
4. Tanea
5. Skai
6. M-news
5 December – Learning Day

Introduction and Welcoming Remarks

- **Mr. Alekos Flambouraris**, Minister of State for Improving the Everyday Existence of the Citizen
- **Mr. Konstantinos Christou**, General Secretary, General Secretariat Against Corruption (GSAC)
- **Mr. Terry Hunt**, Special Advisor, OECD (Executive Director, Policy and Communities Directorate for Internal Audit, Comptroller General's Office, Treasury Board Secretariat, Government of Canada)

*Facilitator: Ms. Margarita Gasparinatou*, Legal Advisor, General Secretary Against Corruption

Introductory remarks by the three speakers underlined the importance of Greece’s National Anti-Corruption Action Plan for strengthening trust in government and public institutions by building resistance to corruption. Most importantly, speakers pointed to the critical role played by the Greece-OECD Project for Technical Support on Anti-Corruption in assisting in the implementation of this plan. This project was situated as part of a broader OECD-Greece collaboration and highlighted as a great example of European Commission support in Greece.

Speakers spoke specifically about the need to modernize internal audit in the Greek Public Administration. The role of audit was identified as foundational in enabling good governance – “Mature oversight mechanisms lead to stronger governance, risk management, and control processes essential to addressing corruption and safeguarding the resources needed for more equitable and effective services to citizens.”
Session 1 – OECD Member States Models of Internal Audit (Structure and Practice)

- **Ms. Katleen Seeuws**, Project Manager and Team Leader, Management Support, Federal Service of Budget and Management Control, Belgium
- **Mr. Tommy Collins**, Senior Audit Manager, Government Internal Audit Agency, HM Treasury, United Kingdom
- **Mr. Terry Hunt**, Special Advisor, OECD (Executive Director, Policy and Communities Directorate for Internal Audit, Comptroller General’s Office, Treasury Board Secretariat, Government of Canada)

**Facilitator: Mr. Angelos Binis, OECD**

The presentations of OECD member countries of Belgium, UK and Canada focused on: Internal audit structures and respective audit activities. Other topics included the added value of internal audit; and the preconditions and requirements for healthy, robust audit functions.

Issues raised by the audience included: political and management awareness for audit reports; necessary capacity and resources; issues pertaining to the need for better follow up on recommendations; and, the need for greater independency of the part of the internal audit function.

Confusion on the different aspects of Public Internal Control (PIC) was evident, particularly in terms of:

a) what is Internal control, risk management and internal audit?

b) role of financial inspections versus budgetary controls; and

c) finally the difference between complaints management versus forensic audit.

**RESOURCES: PRESENTATIONS**

0512_Session1_KS.pptx

0512_Session1_TC.pptx

0512_Session1_TH.pptx
Break-Out Sessions

Group 1: Creating High Performing Internal Audit Units
This session discussed the role of internal audit within the context of a modern internal control framework. Building upon the Greece approach to audit and control, it presented the necessary infrastructure for a high performing internal audit function, as well as the differences between internal audit; external audit; transactional auditing; and, investigations. It also addressed the respective roles of each, as well as touched on different types of internal auditing.

Presenter: Mr. Terry Hunt, OECD

Group 2: Strengthening Internal Controls
This session examined the three lines of defense model, and the roles and responsibilities within each pillar. It also addressed internal audit’s role with respect to internal controls and how it can support program managers in strengthening internal controls through such tools as control self-assessments. The session also reviewed the concept of internal controls and how they are developed.

Presenter: Ms. Katleen Seeuws, Belgium

Group 3: Risk Based Audit Planning
This session discussed the challenges and opportunities associated with risk-based audit planning. It introduced associated standards, as well as explored tools relevant to assist in risk identification and measurement.

Presenter: Mr. Tommy Collins, UK

Group 4: Fraud and Corruption Risk Management Frameworks
This session examined fraud and corruption risk management assessments, including risk identification and measurement. It also explored the role of internal audit in supporting risk measurement and fraud risk self-assessments.

Presenter: Mr. Angelos Binis, OECD

RESOURCES: VIDEOS (REPLAY)
Group 2 https://www.youtube.com/watch?v=ukOzlb49_Qg
Group 3: https://www.youtube.com/watch?v=m9B13QkzwyM

PRESENTATIONS:

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Ms. Verra Marmalidou, Chairman of the Hellenic Institute of Internal Auditors

This session discussed the importance of audit as a professional activity – “At the heart of professionalizing any function is the need for a professional organization.” The role of IIA as the professional organization for internal audit was discussed at length, particularly in terms of providing standards, certification and training opportunities. The importance of public servants being IIA members and for the organizations they work for to assist them in this as well as aid them in obtaining accreditation.

Mr. Terry Hunt, OECD

This presentation provided an overview of the findings to date, and identified implications for future component one deliverables in terms of shaping the Audit Manual and the Terms of Reference of an E-Platform for risk management and audit planning. A draft of an OECD questionnaire was reviewed to assist respondents with any questions they may have in filling it out. Responses to the questionnaire will be used to inform the development of the Audit Manual.

RESOURCES: PRESENTATIONS

0512_Draft Findings of the Technical Report
0512_IIA Greece Marmalidou.pptx
Introduction and Welcoming Remarks

- **Mr. Juha Keranen**, Structural Reform Support Service (SRSS)
- **Mr. Stelios Fazakis**, Special Advisor to the General Secretary’s Cabinet, General Secretariat Against Corruption (GSAC)
- **Mr. Angelos Binis**, Portfolio Manager, Internal Control & Anti-corruption, Athens Office Coordinator, OECD

*Facilitator: Ms. Dimitra Antonopoulou, National Strategic Planning, General Secretariat Against Corruption*

The important contributions of the General Secretariat Against Corruption in their continued support and leadership of the project was noted by all speakers. The importance of the collaborative approach adopted between the three participating stakeholders to the Greece-OECD Technical Project was underlined as greatly appreciated. Speakers also identified the important value-added contribution of the OECD and its ability to provide high quality, inter-jurisdictional and international research to support evidence-based policy development. The need for all organizations across the Greek public administration to be actively involved in the project was identified as key success criteria. Finally, a big thank you was given to the active, ongoing engagement by the Structural Reform Support Service of the European Commission, particularly their Athens Office.

![Mr. Juha Keranen, Structural Reform Support Service (SRSS)](image-url)
Presentation of Leading Practices within the Greek Public Sector

- **Ms. Maria Konstantinidou**, Head of the Directorate of Internal Control, General Secretariat of Public Revenues
- **Ms. Yolanda Tountopoulou**, Head of the Directorate of Control Planning and Evaluation, General Directorate of Fiscal Controls, General Accounting Office
- **Mr. Nikos Douladiris**, Special Inspector of Public Administration

*Facilitator: Mr. Yiannis Selimis, Inspector-Controller of Public Administration, General Secretariat Against Corruption*

This session explored control and audit organizations that are relatively high functioning in order to demonstrate that well-functioning institutions and units are not only possible, but occurring. It provided the opportunity to showcase best practices, and how they were achieved. That is, describe how they were able to build functioning models -- what they have done in order to share lessons learned and best practices.

RESOURCES: VIDEO (REPLAY)

[https://www.youtube.com/watch?v=kV2pDm6cO4l](https://www.youtube.com/watch?v=kV2pDm6cO4l)
Group 1: Identifying E-platform and Modernizing Internal Audit: Needs Assessments

Facilitator: Mr. Terry Hunt, OECD

A key deliverable of Outcome #1 is the preparation of terms of reference for an E-Platform. This session undertook a needs assessment of both of these activities. Workshop participants were broken into four teams.

Team #1 identified the business needs of the E-Platform including: sharing of tools and resources; automating work processes to increase efficiency; collecting and extracting information; triaging complaints, risk measurement and assessment; and managing investigation and audit follow-up.

Team #2 discussed potential content for the E-Platform, including: database of relevant laws and regulations; detailed audit manual, which would include suggested audit steps according to the type of audit; audit and investigation reports accessible to all organizations; best practices, as well as those to avoid; and finally, the inclusion of findings, recommendations and follow-up.

Team #3 discussed access and software issues noting the need for access to an e-platform which would contain complaints and audit reports. It would import complaints, as well categorize and prioritize complaints. Access would be internal to government auditors and inspectors, with access to the public given in the form of statistics about complaints, audits etc.

Team #4 addressed implementation. It was suggested the General Secretariat Against Corruption and the General Secretariat of Information Systems would determine specifications. This would include market research to determine the cost; system development and recording of needs; release of a trial version; training to users, including a Manual that would be updated by the General Secretariat Against Corruption who would be responsible for maintaining the E-Platform.
Group 2: Improving Complaints Management: Needs Assessment

Facilitator: Ms. Katleen Seeuws, Belgium

This session involved a mapping exercise of existing processes and procedures for complaints management, and explored ways to improve how complaints are accepted, processed and followed-up. Complaints management practices by each type of oversight body was discussed. Emerging themes included a high volume of complaints, lack of standardized practices in approaching complaints, issues regarding the quality of investigations, and their ability to support prosecutorial actions. The issue of quality was linked to a lack of necessary competencies and the need for training as well as tools to assist in a more structured approach to investigatory work. Finally, the need for more collaboration between investigatory bodies was identified.

How complaints are being received and the lack of a triaging process on the basis of risk was also identified. Challenges included too many complaints, lack of sufficient resources to adequately respond to all complaints and therefore a need for objective prioritizing of complaint responses. A best practice was noted by the Audit Department of Thessaloniki. They have instituted a website for Citizens to submit complaints which is combined with a registration system (ie: reference number) so that complaints can be sent to the appropriate official for follow up.

RESOURCES:

VIDEO (REPLAY) Group 1:
https://www.youtube.com/watch?v=Q03wXRIZxvc

PRESENTATIONS:

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Panel discussion #1: *Ministerial Internal Audit Units*

Interactive Q&A Session on the Challenges and Opportunities Facing Internal Audit in the Greek Public Service

- **Mr. Stamatis Theocharis**, Internal Audit Unit, Ministry of Interior
- **Mr. Alexandros Denezakos**, Internal Audit Unit, Ministry of Administrative Reconstruction
- **Ms. Konstantina Meggeni**, Internal Audit Unit, Ministry of Culture and Sports
- **Ms. Electra Tzanellou**, Internal Audit Unit, Ministry of Rural Development and Food
- **Ms. Triada Passa**, Head of Department A’ of Methodology and Planning, Directorate of Internal Audit, General Secretariat of Public Revenues

Facilitator: **Mr. Yiannis Selimis**, Inspector-Controller of Public Administration, General Secretariat Against Corruption

This session examined the views from ministerial internal audit units on their opportunities and challenges in terms of modernizing the internal audit function. Issues examined included lack of staffing, planning capacity, and the need for training opportunities. Challenges included lack of audit independence and the need for hands-on tools to aid in audit planning and implementation.

From left to right: Ms. Konstantina Meggeni, Mr. Alexandros Denezakos, Ms. Electra Tzanellou, Mr. Yiannis Selimis, Ms. Triada Passa, Mr. Stamatis Theocharis.
Panel discussion # 2: Inspectorate Bodies
Interactive Q&A Session on the Challenges and Opportunities Facing Internal Audit in the Greek Public Service

- Mr. Dimosthenis Kassavetis, Special Secretary, Inspectors-Controllers Body for Public Administration (SEEDD)
- Mr. Stavros Evaggelatos, General Inspector, Inspectorate Body for Health and Welfare Services (SEYYP)
- Mr. Stavros Potouridis, Head of the Inspectorate Body of Public Works (SEDE)
- Mr. Konstantinos Tsachalas, Acting Head of Inspectors-Controllers Body of the Ministry of Transport and Communications (SEEYME)

Facilitator: Ms. Maria Patelou, National Strategic Planning, General Secretariat Against Corruption

This section included presentations by respective inspection bodies and identified opportunities and challenges. Opportunities included relative stable, large organizations, and also included the need to merge inspection bodies given the broad scope of some organizations, overlapping jurisdictions and the opportunity to standardize processes and gain efficiencies. All speakers pointed to the need for better follow-up and the need to provide ongoing capacity building and training opportunities, as well as address the issue of improving the quality of inspections and investigations.

From left to right: Mr. Stavros Evaggelatos, Mr. Stavros Potouridis, Mr. Dimosthenis Kassavetis, Ms. Maria Patelou, Mr. Konstantinos Tsachalas

RESOURCES: VIDEO (REPLAY):
https://www.youtube.com/watch?v=CpNxkY6JGOQ
Participants were generally content with the workshop (74% respondents were either “satisfied” or extremely satisfied”). Of the 133 participants, 46 (35%) respondents submitted completed event evaluation forms. Topics chosen, as well as the interactive structure of the workshop, were given excellent ratings by an overwhelming majority. Respondents also appreciated the promotion of communication and discussion between the involved counterparts.

Respondents stated that the knowledge gained would be helpful for their jobs, and identified topics and areas of interest for future training such as risk identification & assessment; inspection related subjects, and practical examples of “how-to-do” internal audits.

**Topics Covered Were Appropriate?**

![Bar chart showing responses to the question: Topics Covered Were Appropriate?]

**Useful for My Professional Development?**

![Pie chart showing responses to the question: Useful for My Professional Development?]
Organizers and trainers were clear, convincing and engaging *in their presentations*?
The General Secretariat Against Corruption, Ministry of Justice, Transparency and Human Rights; the Structural Reform Support Service (SRSS), European Commission; and, the Organisation for Economic Cooperation and Development (OECD) are key stakeholders in the Greece-OECD Technical Support Project on Anti-Corruption. The project spans 18 months and is dedicated to developing the know-how for the effective implementation of anti-corruption initiatives, as well as advancing the evidence base of what works and why.

The programme of work includes 10 outcome areas, each of them contributing to the objectives of the National Anti-Corruption Action Plan. Examples of these 10 areas include:

- Strengthening internal control and audit for increased accountability and good governance.
- Developing dedicated corruption risk management frameworks focusing on high risk sectors like health, defense, and local government.
- Improving asset declaration, political financing and whistle-blower mechanisms.
- Enhancing detection and reporting of corruption in the private sector, including Greek companies.
- Improving capacity of law enforcement authorities to investigate and prosecute corruption and bribery.

The Organisation for Economic Co-operation and Development (OECD) is a unique forum where 35 member governments work together to address the economic, social and environmental challenges of globalization. The OECD is also at the forefront of efforts to understand and help governments address emerging policy issues such as finding new sources of growth, building skills, and restoring public trust in government institutions and business. The OECD provides a peer learning platform where governments can compare policy experiences, seek answers to common problems, find out what works and why, work on evidence-based policy choices, identify good practices and work to co-ordinate domestic and international policies. It increasingly engages with a number of non-members who have become important actors in today’s global economy.

For more information: www.oecd.org
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