

Contribution of Audit Function To Good Public Governance

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What means governance in the public sector?

The right organization and processes in order to address with transparency the expectations

From	Re
. Citizens	. The adequacy of the decisions / operations with the majority vote
. Service users	. The risk management of the public outcomes delivery
. Tax payers	

A more intense stakeholders scrutiny

- It comes down to



But it amounts also to providing ADDED VALUE to the decision makers

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2 Functions for the audit

- ▶ Assurance / Compliance + Performance
- ▶ Recommendations for improvement

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2 Main parts for the scope

- ▶ The accounting processes and figures
- ▶ The budgeting “ “
...
“ “

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- ▶ ●●● and A NEED FOR AN EXTENSION TO THE OPERATIONS



open question : how to define the governance criteria / requirements?

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Preliminary step 1/2

- ▶ The main bedrock = a better public accounting and financial information vis-à-vis
 - ▶ the Parliament
 - ▶ the international Institutions / Donors
 - ▶ EU
 - ▶ IMF...
 - ▶ the financial markets
 - ▶ the « managers »
 - ❖ public asset-liabilities
 - ❖ cost accounting
 - ❖ forecasts
 - ❖ benchmarks

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Preliminary step 2/2

- ▶ A need for public accounting standards to be applied to public entities
- ▶ A mandatory audit required for all public bodies
- ▶ An enhancement of the internal control

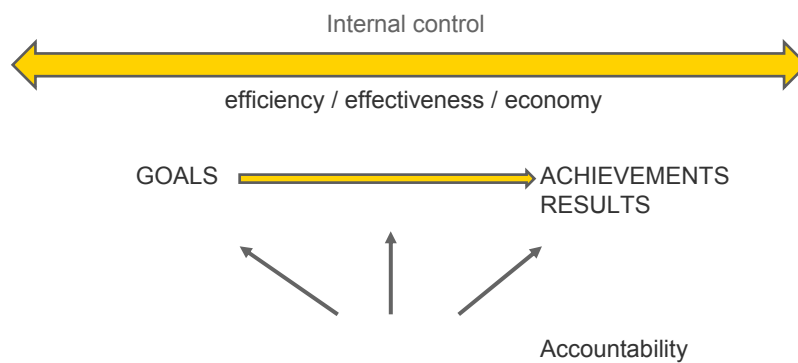
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Internal control framework

- ▶ **DESIGN:** instructions / procedures / guide / chart
- ▶ **DEPLOYMENT:** resources
organization (audit department, audit committee)

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Any audit should focus on the risky operations

- ▶ What enables to pay less attention to minor ones to avoid useless (or redundant) controls
- ▶ That increases the global efficiency of the day to day work

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The operational / performance audit provides analyses for

- ▶ Improving the performance of the operations and projects
- ▶ Improving the quality of data systems and infrastructure
- ▶ Reducing costs
- ▶ Launching adjusting actions
- ▶ Improving the accountability process
- ▶ Facilitating the decision making process

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Pushing for improvements

- ▶ More reader friendly formats
- ▶ More integrated / business-focused points of view
- ▶ More decision – oriented analysis
- ▶ More transparent assumptions

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Five key players for risk management and control 1/2

- A. The « managers »
- B. A departement dedicated to the risk management and the internal control
- C. The external auditors
- D. The internal auditors (independant)
- E. The Parliament and the audit boards / committees

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Five key players for risk management and control 2/2

