

## **Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)**

Finance Division, Ministry of Finance

www.spfms.gov.bd

### **Scheme of Internal Audit and Audit Follow-up**

## **FOREIGN EXPOSURE TRAINING**

Bangladesh Delegation to Inspectorate General of Ministry of Finance, Indonesia

### **Internal Audit in Bangladesh:**

The PFM Reform Strategy 2016-2021 and subsequently the PFM Action Plan 2018-23 was articulated based on a thorough understanding of the PFM reform experience in Bangladesh. It was thought that effectiveness of the control systems within the Government depends on effective internal audit system with the objectives of (i) conformity to the Government's strategy, achieving effective and efficiency (ii) effectiveness and efficiency of operations; iii) reliability of financial reporting, and (iv) compliance with applicable laws and regulations. Section 19 (a) of the Public Money and Financial Management (PMBM) Act, 2009 states that one of the duties and responsibilities of the Principal Accounting Officer (PAO) shall be "To ensure efficient and transparent financial management and internal control processes at the relevant Ministry or Division or Other Institution". Under the PFM Action Plan Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS) is to be implemented from 2018 to 2023. Considering the importance of Internal Audit functions in the Public Sector, in SPFMS program document component C-10 is Financial Reporting under which, DLI-9 will establish a modern Internal Audit function in five large spending Departments like Directorate of Primary Education (DPE), Directorate General of Health Services (DGHS), Public Works Department (PWD), Local Government Engineering Department (LGED) and Roads & Highways Department (RHD) for ensuring better financial management through Internal Audit system.

### **Background of the training in Indonesia:**

Indonesia has a vast experience in the arena of Internal Audit. Its IA system is recognized by the World Bank. So, the Program Implementation Team (PIT) of the IA scheme decided to visit Indonesia for taking the firsthand experience of the implementation process of the IA system in Indonesia. The five-day training schedule for May 09-13, 2022 was then finalized in the context of fruitful discussions on various issues. In addition to the IG of MoF, both sides agreed to take a hands-on view of the Internal Audit practices in the Ministry of Health and the Ministry of Education of Indonesia. Later PIT sought nominations for a total of 05 (five) officers from each of the five high-spending departments. Those who are involved with the audit/budget/accounting services in the concerned department, who have participated in the workshops, and seminars, and who took part in the short- and long-term training programs organized under the Internal Audit Scheme were requested to be considered for the nomination. In this context, the names of 05 people were proposed from the departments through the concerned Ministries.

### **Objectives of the training in Indonesia:**

The overall objective of the visit are as follows:

1. To share Internal Audit reforms experience, Implication on good governance and Management of Internal Audit in different MDAs' including: a) Internal Audit Charter and Risk-based manual; b)

- Staffing pattern; c) Capacity Development; d) Monitoring, evaluation and learning; d) Reporting; e) Resolving internal audit issues; f) Incentives for change management.
2. To learn detail functions and activities of Internal Audit Units/ Wings at department-level.
  3. To familiarize with the system on Annual Procurement Plan (APP) and post procurement review.
  4. To know the formation of Audit Committee & how it resolves audit observations.
  5. To understand how Internal Audit ensure smooth public service delivery in health and education sectors.



