

Public Internal Financial Control. Evidence from Albania

Almida Kafia

Department of Finance, Faculty of Economy

"Ismail Qemali" University

almidakafia@hotmail.com

Abstract

Public Internal Financial Control (PIFC) was developed in the late 90s as means for Eastern Bloc countries working toward full membership in the European Union (EU) to implement the necessary control systems to safeguard public resources. PIFC is an integral part of the National Strategy for Development and Integration (NSDI). This document, produced in March 2008, replaced the National Strategy for Social and Economic Development and set priorities and medium to long-term targets, strategic objectives for Albania and also includes a set of operating principles to ensure that government policies, planning and their implementation will be carried out in an integrated manner. The aim of this paper is first to list the reasons for implementing a different system and the importance of changing the system to Financial Management and Audit for Albania, and second, to examine, through a comparative analysis, the effectiveness of the implementation of the new system of financial management and control in the public sector comparing the two systems. By giving an opinion on each component of the system, this paper aims at analyzing, in a critical way, elements of the different perspectives of the two systems, their advantages and disadvantages.

Keywords: Public Internal Financial Control, internal audit, financial management control, Internal Supreme Audit.

INTRODUCTION

Public Internal Financial Control (PIFC), was developed in the late '90s as a means of assistance to Eastern Bloc countries to implement control systems necessary to safeguard public resources while working towards full membership to the European Union (EU). Council of Europe (CoE), in its meeting held in Helsinki in 1999 proposed the Stabilization and Association Process (SAP) for five countries of Southeast Europe, including Albania.

Enlargement of EU from 15 to 25 state members in 2004 forced new member countries towards the implementing of sound financial management which includes all aspects of public finances, regardless of whether the funds are derived from European or national sources. As a matter of fact, most of the original 15 EU members have yet to apply the principles of PIFC in all aspects of the management and control of their financial systems. Therefore PIFC is now a priority for all EU members and candidate countries, as well as beneficiaries of EU funds.

In Albania, PIFC has been incorporated in the context of the National Strategy for Development and Integration (NSDI). This document, produced in March 2008, replaced the National Strategy for Social and Economic Development and set priorities, targets and medium to long-term strategic objectives for Albania as well as includes a set of operating principles to ensure that government policies, planning and implementation will be carried out in an integrated manner.

Public finances in Albania

Many countries in Eastern Europe, including Albania, have chosen to apply the advanced reform public financial management. The new law on the state budget (Organic Law adopted in 2008), subordinate ordinances and the Treasury Regulations (adopted in accordance with the budget law) are the main pillars of management of the Albanian public expenditure.

The Ministry of Finance is moving toward performance budgeting and goals already are approved. Albania's government has declared its commitment to take ownership of the European Commission in the implementation of IPA-funded programs. In this regard, it has started preparations for decentralized management of EU-funded programs. Decentralised

Implementation System (DIS) for the IPA is closely linked to the institutional development of public expenditure management

Financial Management and Control

The main actors of the current PIFC system in Albania are: the Ministry of Finance, CHU/FMC (Central Harmonization Unit for Financial Management and Control) and CHU/IA (Central Harmonization Unit for Internal Audit). The Ministry of Finance is responsible for establishing internal control systems to all governmental entities and fulfils its duties in the field of FMC supported by the CHU. The CHU/FMC is responsible for the implementation of public internal audit as the basis for monitoring and control of public finances. CHU/IA initiates and supports the process of creating a functionally independent internal audit service, in the ministries and at different levels of local government.

The Ministry of Finance has developed a comprehensive PIFC policy paper which was adopted by the government in 2005 and remodelled in June 2010. It describes the ways in which MF works for the development of necessary legislation to implement the ideas presented in the document and the action plan. The action plan includes various steps from the drafting of the Internal Audit Law, regulations on how to implement PIFC – related legislation, including financial management training as well as internal audit. It covers the period up to 2013. The Assembly approved the amendment for Internal Audit in October 2010. Considering that Albania is a small country with a small administration, additional challenges are present and additional effort is required to successfully implement the internal audit.

Advantages and importance of PIFC framework

Albania is making a lot of effort in creating the preconditions for development of a modern FMC as a main pillar of PIFC. The legal framework on Financial Management Control (FMC) in Albania has been approved by Parliament and entered into force on January 2011. However, the successful implementation of the legal basis requires a significant change in management arrangements. The changes require new regulations and procedures which are usually relied upon to achieve the desired results. For that reason, the 5-year Plan for Implementation of a Modern System for Financial Management and Control Concepts in the Public Sector for the period 2011-2016 has been prepared and approved. Now we are in the phase of implementing the FMC requirements. Clear objectives for FMC are defined in the Strategy for Development of Public Finance during 2013-2020. Before starting the implementation of FMC, the CHU/FMC required support from SIGMA during 2011 to make a joint detailed and high quality analysis of the existing situation in Albanian Institutions.

Analysis of the needs for the transition to the new system

The weak points of old system

- The quality of objectives and performance indicators is limited; Strategic management groups are mostly functioning during the planning process but during the implementation of the budget there are no effective strategic management instruments within budget institutions.
- Management structures are not necessarily defined in a way that supports programme objectives, they do not recognize the practical implications of a requirement to deliver services efficiently and effectively and there is confusion between programme and managerial unit or activity management.
- The finance director, who ought to be the financial adviser, has little influence except over budgetary control; traditionally the finance directorate is considered as a different structure, without any coordination between them and are usually underestimated by the management.
- The finance directors are not sufficiently trained to enable them to carry out the financial management role.
- The financial information made available to senior management through the Financial Information System, administered by Treasury, is good but limited to control against the budget and does not provide managerial reports for line managers

Cost-effectiveness of PIFC

This leads to the consideration that, just as internal control systems at a budget institution level, being riskdriven, have to be cost-effective, nationwide PIFC systems need to be so too. This entails at least two observations:

- A lot of activities, supported or not by assistance projects, contain one way or another PIFC related inputs, like risk assessment exercises, writing procedures, establishment of control systems and the training attached to it. There are a number of possible synergies and resources to mobilize which get unnoticed by the beneficiaries themselves. This could provide concrete and contextual examples of what is expected to be in place, in particular as far as internal control is concerned. These practical examples are indeed often missing in the implementation of PIFC, thus causing delays and misunderstandings.
- In Western countries, internal audit has been set up according to needs and as an answer to practical challenges. This results in a remarkable, maybe regrettable, diversity of situations within the same country. It is, however, the result of a pragmatic approach, rarely based on a legal framework as internal audit is seen as a management tool, not something to regulate or to legislate. In countries in transition, the approach has been more systematic and law based in the first place, resulting in a rather institutional concept. In many cases the result is a dissemination of very small, sometimes single – staffed internal audit units because on the one hand all budget institutions were meant to have one internal audit unit (possibly above certain thresholds), but on the other hand there was no possibility to hire more people. My point, based on the experience, is that an autonomous budget entity should only have internal audit to the extent it really needs it, and that in any case, it is inappropriate to set up too small units which will not comply with the quality criteria (internal audit work is by construction a team work), and are facing risks about their independence and ability to perform the audit work as it should be. In such a situation it might be preferable to avoid a permanent internal audit structure. But to provide internal audit service, not necessarily in-house, is a completely different thing. It should be possible to think of different ways of providing an efficient service from the existence of a central service (a really central service, or a unit servicing one ministry and all subordinated budget institutions, or pooling services or outsourcing, which is not something I would however encourage).

Which are the benefits and innovations coming with the new system.

1. Strengthening managerial responsibility and accountability

With managerial responsibility will understand the responsibility of managers for the quality and duration of implementation of programs, increasing efficiency, cost control and management of adverse trends rising from the implementation of benefit programs. Management responsibility includes responsibility of managers at all levels to implement internal controls and reviewing its maintenance. The old system lacked this¹ because it didn't care about the importance of proper responsibilities, beginning with the segregation of duties where the first authentication system lacked a complete separation of duties. The delegation process was conducted regardless of the effects and without due regard to consequences, were frequent cases where the responsibility for this was charged on people inappropriately.

2. Improve budgeting procedures

New law on state budget reflects a fundamental improvement of the budgetary procedures in accordance with the most advanced experiences. The law was drafted with foreign assistance and aims to define the principles, regulate procedures and responsibilities in the whole process of design and implementation of the state budget of the Republic of Albania.

¹ SIGMA rating 2012, dokument zyrtar (u përgatit nga stafi i Njësisë Qendrore të Harmonizimit për Auditimin e Brendshëm dhe Grupi i Punës: Hysen Muceku, Pjetër Ndreca, Albana Gjinopulli, Hasan Deda, Erton Hysenllari, Festime Trebicka, Ramadan Ndreaj, Bashkim Xhika, Silvana Gushali, Dorina Klosi, Manual I Auditit të brendshëm)

There was noticed the absence of the above elements as documentation, budget analysis or reporting under the old system. But it highlights the need for increased transparency to the public, orientation towards standards, correct application of the method TC / benefit to investment selection.

3. Development of assessment methodologies and risk management

In our country, in the whole system of public internal financial control and audit in the internal and external, are not developed risk assessment methodologies. Internal audit has adopted, in his manual, several methods for risk assessment audit and risk assessment elements of internal control, but they are not sufficient for the PIFC system. Methodological framework for risk assessment in the construction of a PIFC system should include: The meaning and content of the risk assessment; Identification of risk; Analysis, assessment and measurement of risk; Risk Management.

It's the responsibility of management to evaluate and balance the relationship between cost and benefit to the internal controls built into the process of risk management.

The old system had no methodology for risk assessment, and change introduction of the new system is noted with the introduction of new concepts about security. It shows increased level of security by institutions (placement of cameras, alarm systems, establishing IT systems in order to maintain data, the creation of conservation areas of data duplication so that in cases of violent actions in the institution material They are stored elsewhere, etc.) and better understanding of the need for security.

4. Develop comprehensive framework for human resources

A strong system of PIFC¹ requires the development of human resources, which is the core component of the control. This development is required to be organized and arranged in special criteria. Without this element fixed any internal control designed will not succeed, so will fail being jeopardized. For these reasons, the system in question must determine: unique criteria based on recruitment at all levels of financial services; Rate qualification and training programs based on modern professional curricula; unique request based on job descriptions.

Develop criteria and curricula for job positions in the public finance system is necessary for recruitment of financial services and the budget, because of the process is not developed on an unified criteria. Job descriptions also are not designed based on some basic criteria and unique for all these services. Meanwhile, the training of these officers is to a minimum and not well organized.

5. Improve accounting service

Given the unsatisfactory situation of accounting services in public entities need to be taken important steps regarding the computerization of the services and the preparation of special Microsoft software, according to service features. In this context, we can emphasize:

1. Preparation and implementation of the Standards of Accounting and Reporting Forms for the execution of the budget, to be used by the Treasury structures and spending units.
2. Accelerate work for formal adoption 20016 GFSM accounting format, including data extraction arising with high frequency (monthly cash flows and quarterly data on government operations), as well as quarterly debt data of non-financial public entities.
3. Ensure national public accounting standards based on international accounting standards in this sector, according to IPSAS.

Activities of current controls do not specify any particular role in the decision of the accountant and management of public resources as a whole. Double signature system, inherited as a means of control, has lost its role because the regulatory provisions on which it is based are obsolete and require renovation of this function in the context of generating environment.

¹ www.pifc.eu/shop/index.php

It is necessary that, without prejudice to the role of senior management and responsibilities for internal control system, the role of accountant in decision making and actions in authorizing the budget and public resources in general should be strengthened. A preliminary sketch of his responsibilities would provide a written expression of opinions and present them to senior management on issues on which it has different opinions, as well as by senior management responsibility in case of not taking into account the opinions of accountant. Meanwhile, necessary to draft procedures for the allocation of tasks and escalation of the delegation of authority, work manuals and operational procedures for each post etc.

Current situation of the accountancy service in public entities do not provide complete information, and especially in time of economic events. This because in its majority this service is manual. This is the reason why it feels necessary the introduction of a new computerized system.

6. Improving the internal audit function

Internal audit has realized important developments, but these developments are still at the drafting of the basic audit documents and their implementation requires taking some actions. Functional independence of internal audit is not yet fully secured. Thus, although there have been steps towards the separation of structures and separation of the internal audit activity from other activities of the entity, reporting to the highest level of management, the wording of the report and the recommendations is weak. Other steps may be taken especially in: appointment, removal, transfer or other disciplinary measures to a certain level; Establishment of Audit Committees, initially as advisory bodies to the leadership and, later, as the executive bodies which report to the ministry audit structures and ministries covering the system. In this form it increases the functional independence as a possibility that programs approved by the committee and reporting to be made to the Audit Committee; Improving motivation and reward at work and ensuring career in the public sector after the completion of specific conditions; Qualifying for internal auditors in the public sector it is designed in specific provisions, but further steps and further commitments to realize this process, in accordance with the best practices of EU countries and to ensure the continuity of this process. Likewise, it should be accompanied by a motivation to make the classification of results. The new system attaches great importance to professional skills, preparation of training programs to ensure the education of employees updated audit structures is one of the priorities of the new system. Strengthening of cooperation between internal auditing and SAI also is an element of the new system and functional independence of internal audit.

Assessment of current situation

This assessment was based mainly on the annual report of the IC system quality. Analysis of system components (questionnaire on which I have made the analysis is in the Annex)

Setting objectives

The evidence shows that 25% of public institutions have not responded to the mission statement. Also most of the public entities that have responded to their unit have adopted development strategies and action plans which were distributed to all staff, or at least the management of the unit.

Organizational Structure

The organizational structure is built in such a way to enable the achievement of policy objectives efficiently and should be in accordance with internal control standards in order to ensure that those tasks, hierarchy, reporting lines and determination of activities control are properly allocated to ensure that the long-term objectives are achieved. In connection with this component of the control environment are analyzed specific aspects, such as determination of US and NZ in accordance with FMC Law; the creation of the Strategic Management Group and compliance with the purpose and structure of the institution's activities.

1-Monitoring of the authorizing officer assignment started in 2011 and continued in 2012 and concluded that their appointment was made according to the requirements of FMC law and the Law 9936 "On the Budget Management System RA"

2 Pursuant to the recommendations and conclusions of the Board SAI PIFC started closely monitoring the status of compliance enforcement officials at every level of general government units. Problems identified in 33% of the institutions are not meeting the criteria of law in determining the NZ FMC related to: a- fulfilling the criterion of direct dependence of the US NZ; b- educational criteria; c- managerial criteria,

Specifically, 16% of the CPU belonging to 233 institutions Implementers result that officers have no proper education under the law and do not depend directly by the authorizing officer of the institution, while 17% result in civil institutions Implementers specialist level, and finance functions not divided into separate administrative structures directly subordinated to US.

Implementing professional training officers

Legal requirements: Implementing employee must have a university degree in commercial economics or law with postgraduate specialization in the field of public finance and managerial experience. Current status presented in graphical form:

Implementing Civil education institutions

Opinion

Focus in relation to increasing the effectiveness should focus along with the definition of the mission, strategy and objectives, in particular in the drafting and monitoring of concrete action plans, which must include deadlines and persons responsible for their implementation. From the above analysis, I noticed that there were still institutions that have their employee structures that do not have the required education, and limited staff in finance that results in the financial performance of the few people not respecting criteria internal control and leaving room for abuse.

RISK MANAGEMENT

Risk management is the process of identifying, evaluating and monitoring the risks facing public entity in achieving its objectives and conducting the necessary checks in order to keep risk exposure at an acceptable level for the institution. Risk management is a new concept for the Albanian administration and it is still unconsolidated. I noticed that a significant part of the public entities does not have risk management procedures.

Opinion

The analysis shows that are not properly understood the role of risk coordinator and coordinators have not been finalized, although FMC Law clearly states that the authorizing officer is the coordinator of the risk of the unit. In practice should be noted that this part is overlooked by the institutions. On the other hand it is noted that no written internal procedures to identify risks are in place, they are subject to constant verbal discussion between the directors and staff in order to minimize and to enable the fulfilment of objectives. I can say that this process is not yet formalized. This brings to shortfalls of responsibility and therefore lack of monitoring to minimize the risks.

Given that risk management is still in its early steps, it is necessary to develop proper training in this field.

CONTROL ACTIVITIES

Control activities are the rules, procedures and actions aimed at reducing the risks with a view to achieving the objectives of the organization and to promote the implementation of the head decisions¹. Control activities should be geared to processes and systems, as soon as these processes and systems are created. The introduction of control activities later would be more costly and less efficient.

Segregation of duties

¹ http://en.wikipedia.org/wiki/Internal_control

Within each public entity is required to have a management hierarchy, with the head of the organization with the main responsibility for the adoption of internal rules and policies of the IC, and then individual managerial responsibilities distributed to US and every manager within the unit (including the dependency management units). This management process should be documented, including the extent of each individual accountability manager, the manager's level of decision making, and reporting methods.

Opinion

It is known that the main concern of managers running the assets is expressed in physical existence of the assets and if they are stored by the unit. This is not enough because non-use or inefficient use of assets means that the public sector is using more capital resources than would be needed. FMC requirements for efficiency and effectiveness should be changed and so the attitude of managers in using of assets. They must not only ensure that the assets exist and are not misused, but they also need to ensure that they are used efficiently and effectively.

INFORMATION AND COMMUNICATION

The fourth group of IC components are information and communication. Communication is the basis of information needed to perform duties effectively. The information must be communicated to the head and other employees, in the form and at the right time, to assist them in fulfilling their responsibilities.

Opinion

It is seen that the units have not yet fully developed a system of communication and adequate information. This brings obstacles in their daily work. Monthly systematic reporting on the activities and performance of managers in general exist (as we can see from the results of their answers) but the quality of the reports cannot be accurately judged.

Systematic reporting is an essential requirement of accountability. Reporting should cover the achievements, performance standards, gaps and use of resources. Reports must recognize that the operating environment is dynamic and what might have been planned is not possible to achieve 100%, or vice versa, can be achieved more. Managers need to become fully aware of their responsibilities and what to report on these responsibilities.

MONITORING

Monitoring is a set of processes to review the activities of the institution, which aims to provide reasonable assurance that the control activities function according to the purpose for which they were created and remain efficient over time.

The focus this year in its annual report has been subordinate unit reporting to the head, monitoring of progress and reporting lines that ensure independence of internal audit.

Opinion

From the data I see that the frequency and method of reporting or monitoring should be improved and the focus should be not only on traditional financial reporting but also on performance. Also in connection with securing the independence of the audit function is observed that a lot still remains to be done in this regard.

Conclusions

1. Old IC system did not provide sufficient security that units successfully fulfil their objectives. Regarding the state of financial management and control, in last year's report, SAI has given seven recommendations of which five are fully implemented and two of them are still in process¹. This is an indication that management units has paid due attention to correcting existing weaknesses and shortcomings.

2. The previous IC system conveyed in absence of clear guidelines, policies and procedures. Risk management was almost not an explored area. This is best described by the fact that for years the units operate with a deficit, having exceeded

¹ Kontrolli I Lartë I Shtetit, Raporti Vjetor mbi Funkcionimin e Sistemeve të Menaxhimit Financiar e Kontrollit dhe Funkcionimin e Auditimit të Brendshëm në Njësitë e Qeverisjes së Përgjithshme për Periudhën 1 Janar – 31 Dhjetor, 2011

available funding. Under that system loss grew from year to year and management had no clear strategy on how to get out of the situation, while the new system is defined from that first moment.

3. One system will be called effective if it has essentially treating human resources as an asset in order to improve professional skills with the aim of maximizing usage of human intellect in favour of a better development of the country.
4. Developing new PIFC system in Albania requires from participants in the process a leading effective action in accordance with their role and responsibilities. Only proper implementation of the new legal framework and efforts by all stakeholders can lead to achieving the goal, the creation of a modern, reliable and functional Public Internal Financial Control.
5. For the coming period would be more appropriate to work towards increasing the capacity of public administration staff through workshops and training for all levels of public entity.
6. Some institutions had made progress by developing their own code of ethics, or including elements of ethics in internal regulations of the relevant institution. So the Code of Ethics should definitely be a basic element of any entity.
7. Fundamental focus for the future must be to consolidate the legal basis regarding risk management, as the drafting of specific guidelines for risk management and training of public administration on contemporary concepts.
8. Emphasis and future focus should be the development of IT systems in order to improve control activities. Also, each unit must have internal regulations which should summarize the description of all procedures for performing activities, provide access to information and assets by the appropriate person, the development of IT systems to support control activities.
9. Adequate measures should be taken to ensure a strengthened control environment and eliminate irregularities present in this component.
10. To ensure that all transactions will be classified, recorded and provide quality reporting;
11. Managerial structures should be designed to deliver policy objectives: it must be clear who are the leaders, resources made available to them, their responsibilities, areas of competence and reporting (accountability).

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APPENDIX

Appendix 1: Form of self-evaluation system components

I. ENVIRONMENT CONTROL

1. Do you have in your unit a Mission Statement adopted in accordance with the requirements of the Law on Management of Budgetary System in Albania?
2. Do you have a strategy (one or more documents) which contains strategic goals and priorities of your unit, in accordance with the requirements of Budget Management System in the Republic of Albania?
3. Is there any guidance on managing the process of setting objectives (for the entire unit, or part of it) to ensure that the targets set are realistic and achievable?
4. Do you have adopted action plans to achieve strategic goals, which include actions, deadlines, and concrete persons responsible for each anticipated action?
5. Are customized rules and procedures that exist at your facility as required by law for FMC?
6. Are developed new procedures and rules in your unit, in accordance with the requirements of FMC law?

I.1 PERSONAL AND PROFESSIONAL ETHICS

1. Is there a procedure that ensures that all employees know / understand the Law on Rules of Ethics in Public Administration?
2. Are all employees required to act in accordance with the Rules of Conduct for civil servants and in particular, to comply with the Code of Ethics of the respective unit (if one exists)?
3. Is there a procedure for reporting violations of rules of conduct for civil servants and for taking action as a result of this?

III. ORGANIZATIONAL STRUCTURE

1. In your opinion, is the structure of the unit suitable for its size?
2. Are defined and exercised a leadership responsibilities in an appropriate manner to ensure that none of them has an excessive responsibility?
3. described in writing tasks, powers and responsibilities of the head of the unit (in accordance with the laws and by-laws)?
4. Is there any department / director / sector responsibilities and duties clearly defined and separately by departments / departments / other sectors.

I.2 POLICIES AND PRACTICES OF HUMAN RESOURCES

1. Are there specific internal rules regarding the selection, appointment and determination of salary and bonuses for employees, or connected with the performance evaluation and sanctions in case of non-fulfillment of duties?
2. Are the policies and practices of human resources, such as to guarantee that the promotion is perceived by employees as a direct consequence of good results and achievements at work, and that the promotion is done in accordance with clear rules and criteria ?
3. Do you have approved job descriptions for each job position in the unit, in which the involved individual tasks to be performed, the requirements regarding the qualifications required and reporting lines?
4. Is the policy and practice of human resources, such as to guarantee the employment of sufficient staff with the right qualifications?
5. Is the policy and practice of human resources such as to ensure the preservation and development of professional competencies of staff?
6. Do you feel you needed training for employees with managerial functions on your unit, around the concept of PIFC and the Law on FMC, which is expected to be adopted soon?

II. RISK MANAGEMENT

1. Is there any procedure to your unit for risk management - identifying, analyzing and controlling the risks that could endanger the achievement of the objectives of the unit?
2. A discussion between the owner and employees with managerial functions in the unit, the risks that might jeopardize the achievement of the objectives of the unit and whether they plan appropriate measures to put under control those risks?
3. Are managers at all levels aware of their responsibilities in risk management?

III. CONTROL ACTIVITIES

1. Are there rules / detailed internal guidelines that describe the main operational and financial processes, including circulation of documents and information, levels of decision-making and internal controls located?
2. described and documented in detail the working procedures and put them whether they were available to all employees?
3. A guarantee you that your unit there is a separation of duties, so that the same person should not simultaneously involved in the implementation of two or more tasks related to: the adoption, implementation and registration of financial operations?
4. Have the appropriate steps to reduce the level of risk to employees that are involved in delicate nature detyran?
5. Are appropriate action provided control for IT systems (information technology)?

IV. INFORMATION AND COMMUNICATION

1. Does the IT system in your unit information for monitoring progress in achieving the objectives of the unit as a whole and its separate units?
2. Are there any written instructions to your unit on the manner of communication internally within the unit (written communication, electronic, or oral)?
3. Is there a mechanism for getting useful information from abroad about changes to the legal and economic conditions, or to exchange information with other public sector with citizens, non-profit organizations, media and representatives the private sector?

V. MONITORING AND VERIFICATION

1. A set is a reporting line, which ensures the objectivity and independence of the internal audit?
2. As the head of the unit au ask you departmental managers / directors, to send periodic reports on the activities of the directorates / departments concerned?
3. regularly monitored progress regarding the achievement of objectives and a analyze the reasons for failure in this regard?
4. A head continuously monitors the implementation of recommendations made by internal auditors and external on the improvements in the system of internal controls?
5. Does the operating manual which clearly describe what controls need to be implemented and give the name of the contact person in case of identifying the weaknesses in existing controls?
6. A unit regularly performs a self-assessment of internal control?

Appendix 2: list of entities audited to assess the financial management and control

1. Ministry of Finance
2. Administration of the President
3. Council of Ministers
4. Ministry of Justice
5. Ministry of Environment, Forestry and Water Management
6. Bank of Albania
7. State Intelligence Service of Albania