

Public Internal Financial Control and Managerial Accountability

What's in it for me as a manager?

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Public Internal Financial Control (PIFC)

- Managerial accountability
- Financial management and control
- Functionally independent internal audit
- Central harmonisation

Overview of Managerial Accountability

- Entrusted with other people's money
- Asked to deliver to meet objectives
- Planning resource absorption to get it reasonably right
- Running an FMC system that is designed and implemented to result in the fulfilment of objectives
- Demonstrate fulfilment of objectives

Internal Control Components

- Risk analysis and risk management
- Control environment
- Information and communication
- Control activities
- Monitoring

Risk analysis and management of identified risks

- Analysis to find out, with reasonable assurance, if it is possible to reach objectives
- Upgrading the FMC system to mitigate risks
- Decide on action plans and take ownership for their implementation

Control environment

- Professional integrity and ethical values
- Positive attitude towards internal control
- Commitment to development of staff competence
- The tone at the top – management styles
- Human resource policies and practices
- Organisational structure including establishment of decentralised, functionally independent internal audit

Information and communication

- Management information system and management reporting – To follow operations and to take timely decisions
- Recording and classification of transactions and events
- Internal communication flows – top down – bottom up and vice versa. Being informed and to inform
- Public Internal Financial Control reporting – Providing the Ministry of Finance with information to prepare a consolidated report for Government
- Documentations of systems and how matters have been handled – So that stakeholders can understand what has taken place

Control activities

- Procedures, including controls
- Segregation of duties
- Recording of exceptions to established procedures (transparent managerial decision)
- Continuity of operations
- Managerial supervision
- Whistle blowing - including protection mechanisms in case of fraud and serious irregularities

Monitoring

- Recording of internal control weaknesses – Staff suggestions on what can be done better
- Managerial internal control self-assessments – Do we comply with requirements? Is the system effective?
- Dealing with internal and external audit findings and recommendations – Managerial ownership for implementation of accepted recommendations

What's in it for me?

You will be in a better position to:

- Reach your objectives
- Manage stakeholder expectations
- Demonstrate fulfilment of your objectives
- Demonstrate sound financial management

Thank you for your attention!