National Academy for Finance and Economics
Ministry of Finance

Consulting service in practice The Netherlands
Perspective of management

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Outline of the presentation

- Introduction
- On the quality of public finance management
- Context: organization and tasks of the audit service
- Into consulting services
- Cases of requested consultation: perspective of management

Personal introduction – Arjan Vos

Ministry of Finance since 1997:

- National Academy for Finance and Economics, Head of the International Cooperation department (since 2015)
- Budget Affairs directorate, Deputy head of Central Accounting Department (2008 – 2015)
- Audit Policy Directorate ->Central Government Audit Service, Dep. Head of the Audit Policy department (1999 – 2007)
- Before: positions in finance and education at Netherlands Customs, Ministry of Justice and University of Twente (research)

Quality of Public Finance Management

- Netherlands: decentralized system (responsibilities with line ministers, system responsibility Ministry of Finance)
- Legislation (Government Accounts Act and bylaws)
- Coordination and development of the Budget Cycle
- Financial Economic Affairs departments
- Central Government Audit Service (CGAS)
- Netherlands Court of Audit
- National Academy

Central Government Audit Service (1)

- Centralized organization, resulting from a merger of Audit departments of all ministries
- Organized as part of the Ministry of Finance, with units / teams dedicated to a line ministry. And with central units on specific types of audits (IT, EU, etc.); Special unit for Knowledge, Information, Quality
- Positioned directly under the secretary-general
- Functionally indepent towards the auditee

Central Government Audit Service (2)

Statutory audit task

- Audit objectives:
- Financial statements in the annual reports;
- Implemented financial and material management and recording thereof;
- The information included in the annual report on the adopted policies and operational management.

CGAS (3) Other audits

Demand driven Audits / Audits on Request

- On various fields of expertise: IT, FA, OA (PA)
- Specific question from Senior Management (Secretary-general or Director-general)
- Annual audit plan – Audit committee approves
- Evaluation and Advisory services

  (Attention to risks advise and audit)

Case 1: General advice requested

- Description of procedures in central accounting department
- Risk approach – continuity of the processes on a daily basis
- Own process descriptions
- ➔ Review and advice CGAS (blind spots?)
- Plan Q, continuous improvement

Case 2: a technical problem

- Cash accounting system vs reporting transaction
- Dutch State Treasury Agency (DSTA) and Central Accounting Department (CAD)
- Two systems – different results
- CGAS was asked to review the process and provide recommendations
- Division of responsibilities
- Assessing the process, including the systems. What is the cause of different outcomes

Conclusion

- For managers: plan consultancy audits well in advance (audit plan / audit committee
- A request for consult can be more general or more specific
- Make sure the request behind the request is clear
- Be clear about which expertise you can deliver and which not, keeping the standards in mind
- Finalizing the report can sometimes be achieved in cooperation with the auditee
- Always keep the standards high. Professional approach should not be in doubt

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Thank you for your attention

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