



Reporting on Internal Control in the Public Sector in Lithuania

National Audit Office of Lithuania, Audit Development
Department, Audit Methodology Division, Head
Audronė Vaitkevičiūtė
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Legal and organizational framework for reporting on internal control (I)

Republic of Lithuania Law on Internal Control and Internal audit:

- annually submit, following the procedure established by the Government, ***reports on the quality and status of the financial control in the public entity***, including the public entities subordinate to it or falling within its sphere of regulation.
- obligation to report on the financial control compulsory for all public entities
- head of the public entity is responsible for reporting on the state of financial control



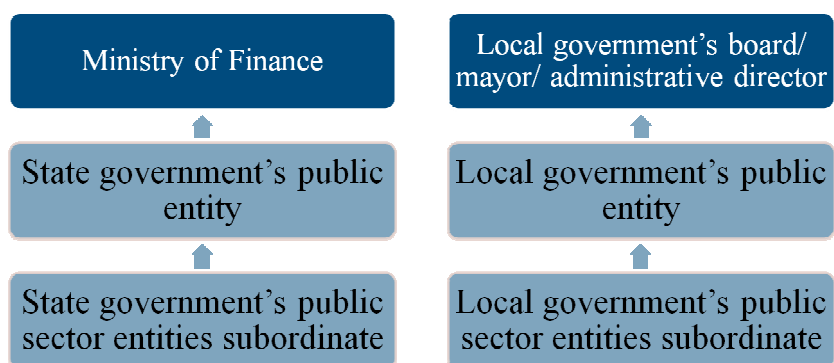
Legal and organizational framework for reporting on internal control (II)

Government's Act on implementation of Republic of Lithuania Law on Internal Control and Internal audit:

- reports on the financial control in the public legal entity are submitted annually till 1st of April
- form of the report is set



Process of reporting on financial control





Reporting on financial control

Main questions in report on financial control are related to:

- ✓ Activity of accounts department
- ✓ Risk management
- ✓ Rules of financial control and their implementation
- ✓ Management of assets
- ✓ Internal audit
- ✓ Self-assessment of financial control



Assessment of reports on financial control

Ministry of Finance

- Collect reports on financial control from state government's public sector entities
- Prepare summary and present to Vice-minister of Finance

Local governments (60 of them in Lithuania)

- Each local government's board/ mayor/ administrative director assess prepared report on financial control

National Audit Office of Lithuania

- Do not assess reports on financial control



External auditing of internal control

- Assessment of the organisation and functioning of internal control in public sector entities is made by conducting financial audits
- Inform the management about deficiencies in internal control and give an overall assessment of internal control in audit report
- Do not give opinion on internal control



Thank you!