



**"Government Finance Management Information System"
implementation project
Report of PHASE 2.2**

**GFMIS Implemenation Model
Internal Audit**

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Introduction:

Present in the document is presented in the Internal Audit module within the framework of the FCTC structured and functional description as _ also module the interaction between the FCTC and others of modules and external sources with _

Recommended of the model development during account are to be taken responsible divisions from presented suggestions and remarks .

The document consists of 3 sections .

1. Available of the situation summary - presented previous _ stage implemented of study Summary available _ electronic systems between their connections _ advantages and disadvantages like _ also a conclusion , a basis , is provided accepting available business processes summary the results .
2. Internal Audit module structure - submitted to internal audit process complete automation possible solution structure , foundation accepting available business processes summary the results .
3. Internal Audit module functional opportunities - presented processes _ optimization and automation functional description .

1 . Available condition summary

in KΦKTX inclusive internal audit business processes analysis , diagnostics and final business processes extraction / formulation purpose was studied as RA public sector internal audit legislative field , internal to the audit pertaining to available variety the information , so email public sector internal to the audit related to other countries applicable some procedures . Study as a result to be composed are RA public sector internal audit system currently applicable all business processes descriptions . business processes specified descriptions presented are in the documents presented at the previous stage.

Internal: audit management currently carried out business processes description and analysis as a result be recorded are that _ available are components that _ is necessary or seriously review , or : in general remove _

Example 1. internal of the auditor qualification in the process when the word refers to the Ministry of Finance of the Republic of Armenia established and implemented RA public sector internal of the auditor qualification to the exams , according to of essence in action are from each other independently two electronic system . Don't system through citizens application are representing the RA Finance Ministry, internal of the auditor qualification to the exam to participate for the purpose , and the other system through is organized and held _ the exam , how ? also there maintained are exam participants data recorded _ results of tests the answers according to questions , etc. _ Marked two systems Each other with any manner connected and applicants _ the data testing system is imported mechanically , i.e. in accordance with the Ministry of Finance of the Republic of Armenia department the employee by hand enters the data .

Example 2. The body internal audit in the process currently any automated system no is applied . This the circumstance significantly complicates how _ internal audit planning , implementation , accountability , audit and quality control and evaluation the process , so email almost makes it impossible for RA public sector different organizations internal audit of units activity results combination , variety of analyses implementation .

1 . 1 Conclusion

in KΦKTX need to invest Internal: Audit module , which weak will give

- Drive auditors registry linked _ qualifications and training with _
- Internal: audit the process organize automated system through which _ provides data _ the exchange of the FCTC to the other of modules with _
- Necessary functions implement one system / module in the frame
- Focus the data
- Provide availability , appropriate with powers to users .

2 . Internal: Audit module structure

account taking into account the modular principle proposed in the ¹framework of the CFTC , the CFTC concept is proposed internal audit processes for to foresee Internal: Audit module , which possibility will have get other _ in modules like also external in systems under development data :

Because, the analytical data processed in all modules of KΦKTX are saved Analytical- Reporting in the module (KFCTS implementation model) , therefore, the Internal Audit module can receive the necessary data from that module . And the analytical data processed by it can also be stored in the above-mentioned module .

At the same time , internally audit process complete provision purpose it is recommended to invest also Auditors management module of which in included Will be applications and registry submodules , and interrelated will be testing , training of modules² with what _ through of the auditor qualification to have purpose faced persons testing , later also training in processes Cultivated the data will be provided The registry .

Internal: Audit module offered structured scheme picture 2 is given . In 1 .

¹ Details: presented are " KFCTS implementation model " in the document .

² Details: presented are of the " KFCTS implementation model " document In Chapter 5, 6 sections .

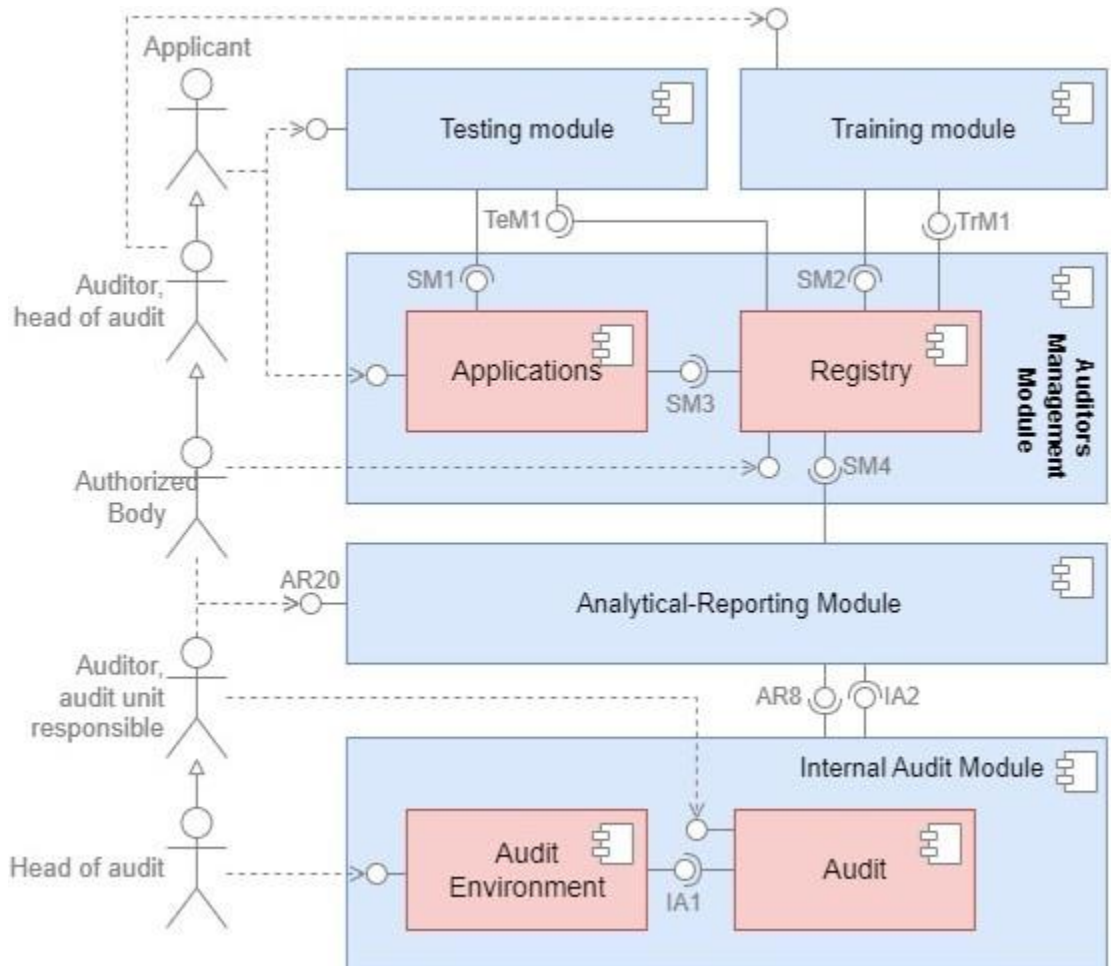


Figure 2 : 1 Internal Audit module structure

Internal: Audit module structured of the scheme data flow Figure 2 is presented . in 2

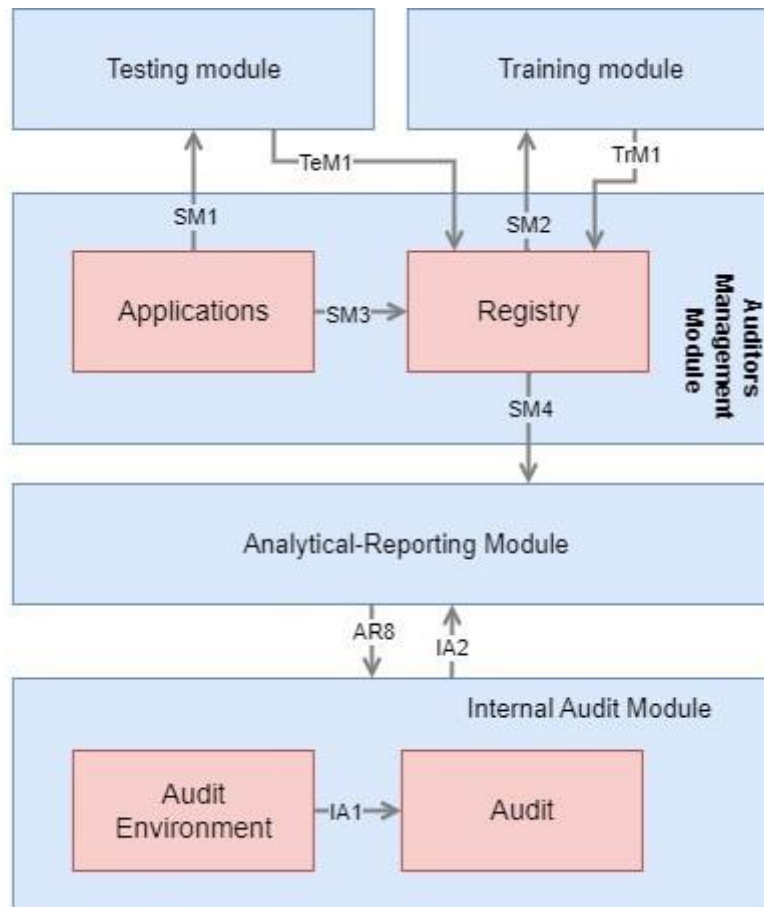


Figure 2 : 2 Internal Audit module data flow

In structure available components and their practitioner roles description is brought next .

2 . 1 Roles

Applicant - is a citizen of the Republic of Armenia it the user whose data (as RA public sector internal auditor) available they are not In the registry . The applicant: can use _ only Applications from submodule and Testing from the module .

Auditor - is it _ the user whose data (as RA public sector internal auditor) available are In the registry any by status (valid , invalid). Valid status having the auditor can use _ Internal: Audit from submodule (permissions defined are of users management module through - the description in the document "KFCTS implementation model"), Training from module and all it of the modules which available are To the applicant .

Audit leader - is it _ the user who authority has specifically organization for to define audit the environment .

Authorized body - is it the user to which Internal: audit by RA law given accordingly authorizations through the user management module . Can use the Registry ? from the submodule (registry management), Analytical- Reporting from the module and all the modules that available are To the auditor .

Responsible for the audit unit - is the user to whom audit of the task as a result recorded problems solution for mean are performer or responsible

2 . 2 Modules / Submodules

Auditors management Module - Consists of two from sub- modules : Applications , Registry .

Registry submodule - Allows Authorized to the body to keep and run RA public sector qualified internal auditors pertaining to the data . The submodule interacts .

- Applications submodule with , according to applications (AK3) . at once in the registry to register for (international : or Authorized of the body from recognized certificate availability case)
- Testing module with the test results receiving (T1) and processing for
- Training module with training results receiving (V1) and processing , as also in the registry available auditors data provision for (AK2), to which for must be implemented training
- Analytical-reporting module with providing registry analytical data (AK4), which later on can are apply to other CFTC of modules by , that seems public data to provide for the purpose .

of processes detail description brought to " Registry in the " submodule " section .

Applications submodule - Allows To the applicants to present electronic applications Testing (AK1) and/ or In the registry to register number (AK3).

Internal: audit Module - Consists of two from submodules : Audit Environment and Audit .

Audit environment - Allows Audit to the boss to make data organization internal audit the environment , its based on on implement internal audit risks evaluate and compile and confirm strategic and annual programs . Audit environment necessary receives data Analytical-reporting from the module (PC8) and provides data Audit submodule (NA1).

Audit submodule - Allows Internal: to the auditor implement audit tasks planning , implementation , reporting make up , actions of the plan processing and retesting the process Also allows Authorized to the body develop and implement certain settings to which based on on Auditors implements are activity using also internal audit in the field acceptable other

toolkit . Audit submodule necessary receives data _ Analytical-reporting from module (PC8) and Audit environment from submodule (NA1).

of processes detail description brought by " Internal in the " Audit " section .

Audit environment and Audit submodules data are providing Analytical-reporting module (NA 2): further analysis and reporting formation for _

Testing module - Using : Applications submodule from data (AK1) , allows application presented by To the applicants hand Exam / Test , how ? also In the registry available to the auditors continuous professional training Test . Provides data _ Registry submodule (T1) - corresponding with results To the applicants in the registry to register for or Auditors in the register to stay period extension for _ This submodule available Authorized _ to the body , to which allows _ _ create Exam / Test questionnaires , organize and conduct Exams / Tests .

module are described in the "KFCTS implementation model" document.

Training module - Enables _ _ Authorized to the body organize online or offline training courses , include in courses appropriate Auditors (AK2), conduct attendance and/ or evaluation logs , etc. _ Auditors using _ this from module , can are to pass above specified courses and save qualification .

Training module uses the Registry (AK2) in order to weak give only in the last of registrants participation courses , how also to assess whether what? courses and how many ? soul for should be organized . Besides data from receiving , Training module also can provide _ trained Auditors data Register (V 1): in it change to perform for _

module are described in the "KFCTS implementation model" document.

Analytical-Reporting module - the module allows _ _ internal audit functions implement based on all from the modules collected analytical data on (AH8), from which using are Audit and Audit environment submodules . This from the module is also used Authorized the body is different analysis and reporting composition for _ It to provide for , Analytical-Reporting module is also used Audit Mediation and Auditing of submodules from the data (NA2).

module are described in the "KFCTS implementation model" document.

2 . 3 Interchangeable data

Interface:	Data:	Provider: module / submodule	Applicator: module / submodule
AK1:	D in testing _ to participate for	Applications: submodule	Testing module

AK2:	Training subject to auditors regarding information	Registry submodule	Training module
AK3:	in RA public in the sector acceptable other structures from given qualifying data _	Applications: submodule	Registry submodule
AK4:	Analytical data	Registry submodule	Analytical accountable module
T1:	Yes _ results	Testing module	Registry submodule
V1:	In training data	Training module	Registry submodule
NA1:	Internal: audit for necessary information 1. Strategic and annual programs	Audit environment submodule	Internal: audit submodule 1. Audit submodule ,
NA2:	Internal: audit in the module created analytical information	Internal: audit module / all submodules	Analytical accountable module
PC8:	All of KΦKTX in modules Cultivated analytical data 1. of risks evaluation for necessary analytical data	Analytical accountable module	Internal: audit module 1. Audit submodule
PC20	Reports , analyses	Analytical accountable module	

3 . Functional possibility

3 . 1 Auditors management

3 . 1 . 1 Applications presentation

RA public sector qualified internal auditors In the registry to be included RA citizens for the purpose can are present appropriate electronic application . Marked Applications: two kind of are

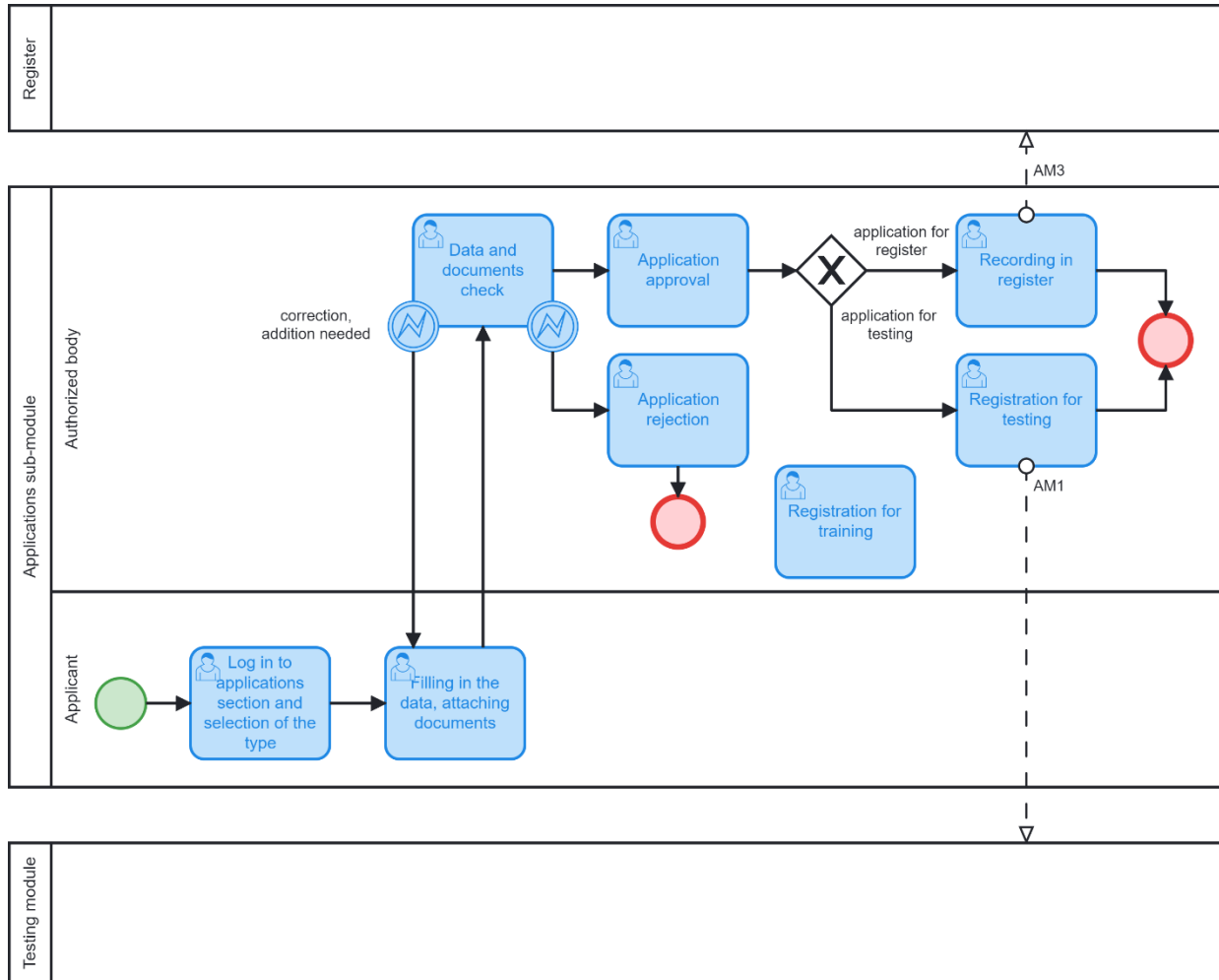
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- if The applicant has RA public sector internal audit in the field acceptable of qualifications at least one certifier document , certificate , what based on on , by legislation established in order wants to register In the registry .
- if The applicant wants to participate in RA public sector internal of the auditor qualification to the exam / test .

Testing application for recommended for consideration two option :

- Application: presentation possibility only active Exam / Test availability in case
- Application: presentation any of the moment , that is independently Authorized of the body from Exam / Test specifically day specified to be from the circumstance .

Secondly version , exactly that Authorized the body mean or activates Exam / Test , then _ application confirmation case the applicant data is recorded to the exam / testing . And? if active testing available no , then the application recorded and subsequently tested _ to be activated case , given the application (or other of applicants from already presented similar applications are accepted are new activated testing for and _ applicants are notified . This weak will give Authorized to the body follow up applications to the quantity , and, based on from that , organize testing .



Purpose:	Applications presentation testing to participate for _
Description / process	<ul style="list-style-type: none"> ➤ The applicant: is logging in Applications submodule appropriate section and selection application her any type : <ul style="list-style-type: none"> ○ In the registry registration appropriate qualification availability in case ○ Qualification: exam participation . ➤ The applicant: opened in the window completes accordingly _ data and attachment necessary the documents . Don't in case , except personal from the data , that can be _ other certifying qualification (s). certificate (s), and : the other case other necessary documents . ➤ Authorized of the body appropriate jurisdiction having the employee study presented _ application (s). If: to whom _ there are disadvantages then _ it is returned _ To the applicant ,

	<p>available disadvantages to eliminate . If: presented Application (s) subject to are of rejection , then the employee rejects and process ends .</p> <ul style="list-style-type: none"> ➤ If: Application (s) to: disadvantages like _ also rejection foundations there are none , then Authorized of the body the employee , dependent application from type , selects the application appropriate the process , no case registration Registry , other in case of registration Examination / Testing participants in the list . ➤ The process ends in the Registry and/ or Testing in the module Authorized of the body of an employee previous at the point done walk by registration .
Reference available to the process	BP-IA-01-01 , BP-IA-01-0 2, BP-IA-01-0 3, BP-IA-01-0 4, BP-IA-01-0 5
Territory:	Auditors management module : Applications and Registry submodule , Testing module
Actors:	Applicant , Authorized body
Incoming: data	Application:
Output: data	AK1, AK3

Testing process the details presented are in the document "KFCTS implementation model".

3 . 1 . 2 Registry functions

As RA public sector qualified internal auditor In the registry registration is possible as follows: with deer

- Agreed of the application , if is available and presented to the RA public sector internal audit in the field acceptable of qualifications at least one certifier document : certificate (RA public sector internal audit in the field acceptable qualifications the list defined by the RA government's decision N 176 of 2014) ,
- Examination / Testing enough of the result with security .

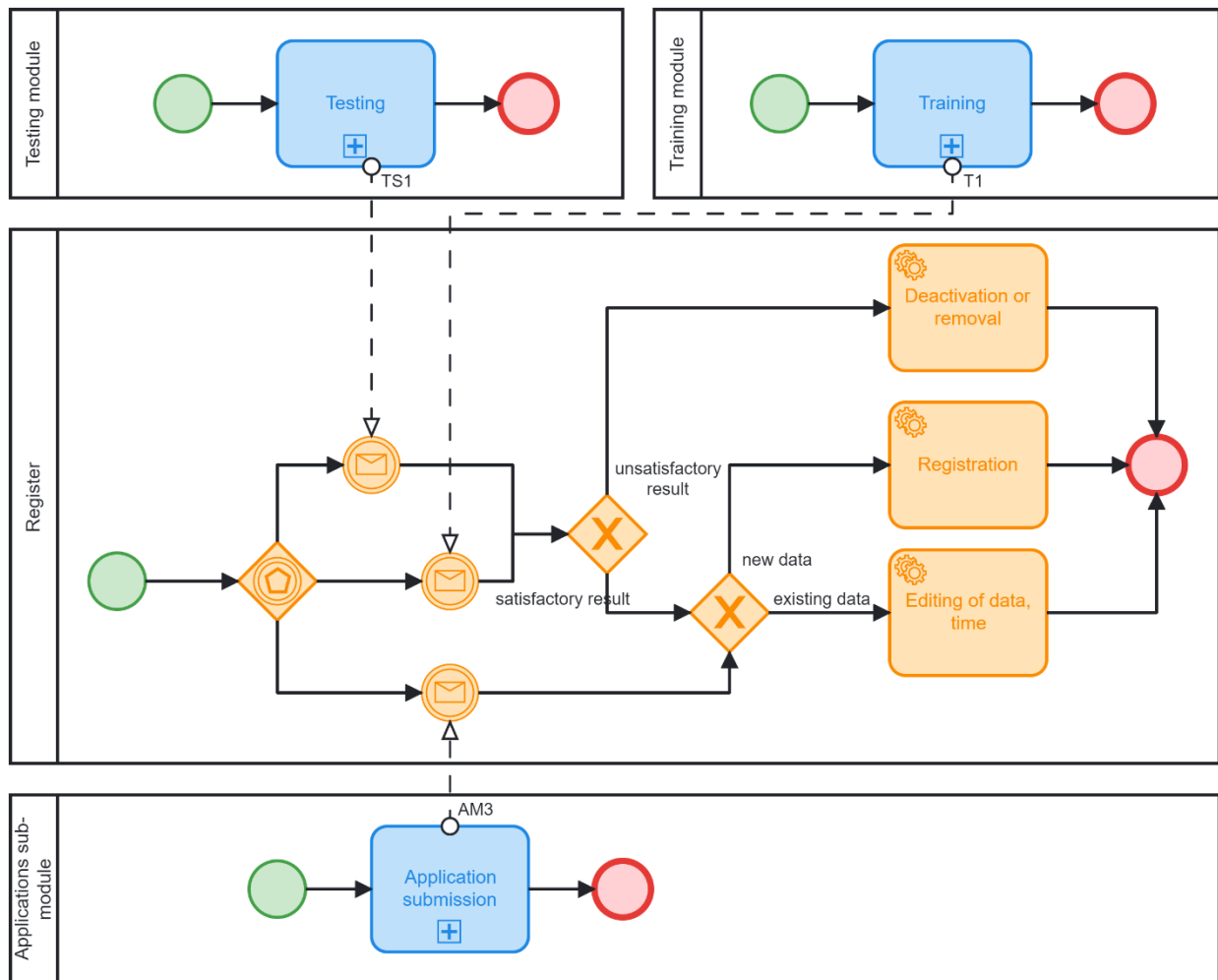
In the registry existing RA public sector internal auditors the data separating are two of the group

- Valid (active) , those RA citizens who the data available are Registry and they of time data at the moment right have RA public in the sector implement internal of the auditor activity ,

- Invalid (suspended) , those RA citizens who the data available are In the registry however they of time data at the moment right do not have RA public in the sector implement internal of the auditor activity , eg continuous professional training not to pass , or other because of

The process Testing , Training is carried out or Applications from the submodule received data based on self - employed .

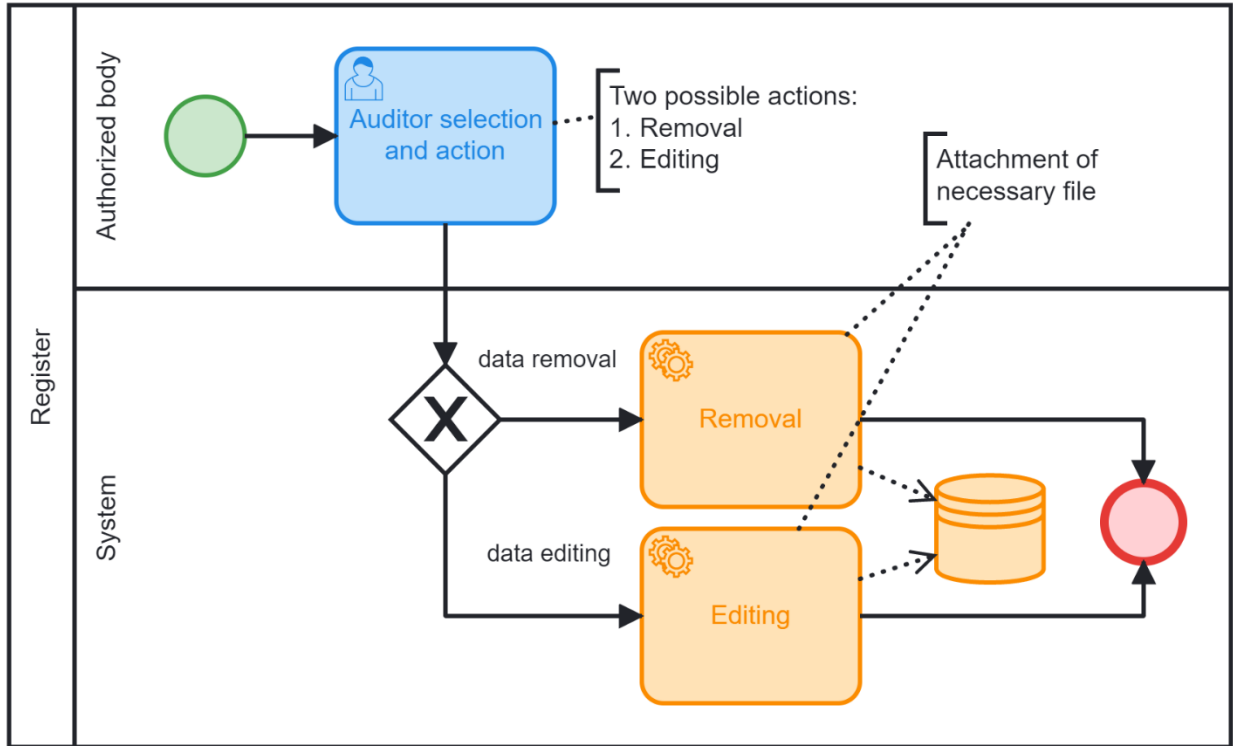
Application: presentation the process presented before _ in the department , and Testing and Training Processes in the "KFCTS Implementation Model" document.



Purpose:	In the registry registration / data update according to Application , Testing or Training from the module received data
Description / process	<ul style="list-style-type: none"> ➤ Registry submodule receives data _ as follows: module / from submodules <ul style="list-style-type: none"> ○ Testing from module to test results ,

	<ul style="list-style-type: none"> ○ Training from the training module results , ○ Applications from submodule : application : direct in the registry registration for ➤ If: the data received are Training or Testing from modules . <ul style="list-style-type: none"> ○ Positive results case is added or being edited (dates : extension) data to participate the data in the registry . ○ Negative results case , removed or change is suspended status ➤ If: the data turns out are applications from the submodule , is added or being edited (dates : extension) data to participate the data in the registry .
Reference available to the process	BP-IA-01-0 6, BP-IA-02-01 , BP-IA-02-0 2, BP-IA-02-0 3
Territory:	Auditors management module : Applications and Registry submodule , Testing module , Training module
Actors:	Applicant , Authorized body , Auditor
Incoming: data	AK3, T1, V1
Output: data	AK2, AK4

Registry driving authority has only Authorized the body . With in which it can have _ possibility in the registry available data receipt or directly of changes for _ Registry submodule Authorized to the body weak will give implement directly changes in the registry placed Auditors in the data such in cases such as are of the court by decision powers suspension etc. _ _ With in which Authorized of the body appropriate the official can that _ the data only remove or edit exclusively appropriate with justification by attaching documents .



Purpose:	In the registry directly of changes implementation
Description / process	<ul style="list-style-type: none"> ➤ Authorized of the body appropriate jurisdiction having the employee is logging in Registry submodule appropriate interface where _ performs an action choice possible two of options between the data removal or of the data editing , ➤ The system depends of action kind of from the selection , respectively removal or edits the participant by attaching it the document which gives the right perform specified the action ➤ Authorized of the body the employee opened in the window perform
Reference available to the process	BP-IA-01-06 , BP-IA-02-01 , BP-IA-02-02 , BP-IA-02-03 , BP-IA- 03-04 , BP-IA-03-0 5
Territory:	Auditors management module : Registry submodule
Actors:	Authorized body
Incoming: data	Documents : files
Output: data	AK2, AK4

3 . 2 Internal Audit

Submodule through Auditors possibility are to have form data organization internal audit the environment , implement risks evaluation of which based on on make up internal audit strategic and annual the plans , execute internal audit data of the year per year to compile the program appropriate reports , actions programs . Auditors can are also implement recheck the process , make up per year reports and from them the relevant ones present Authorized to the body . The submodule enables _ _ also To the auditors implement Audit quality assurance and improvement the program .

The audit submodule implements the Registry data to _ safe only valid status Auditors availability submodule functions and information .

Audit submodule provides data _ Analytical-Reporting module , variety analysis and reporting composition for how _ also Authorized to the body , various of actions implementation for example _ Training of the program composition for Auditors needs .

Audit submodule her activity for necessary the data receives Analytical- Reporting from module , which enables _ _ to have already and Cultivated outgoing information , different kind of analyses to implement for _

account taking it the fact that RA public sector internal auditors activity volume are no only RA finances in the ministry as well whole public in the section , therefore Power of Attorney is recommended in the body create internal audit automated system (NA program) , and RA public sector the other organizations to give specified of the program of users keys as appropriate with powers . Thus RA public sector the other organizations internal auditors possibility will have connect united to the program and to themselves to the organization allotted in the domain implement activity , RA public sector internal audit by legislation established of actions sequence and requirements accordingly .

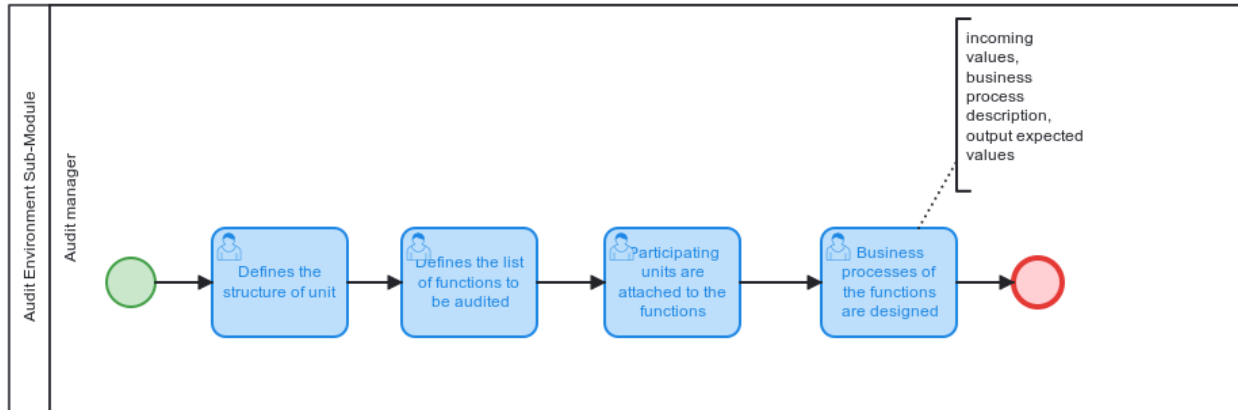
Internal: audit automated the system can have _ as follows: departments .

- Internal: audit environment definition _
- Strategic and annual programs design ,
- Audit (yearly : of the program implementation) ,
- Actions: of the plan definition _
- Actions: of the plan performance evaluation _
- Yearly report .

Below presented is recommended departments briefly Description and its appropriate schematic description .

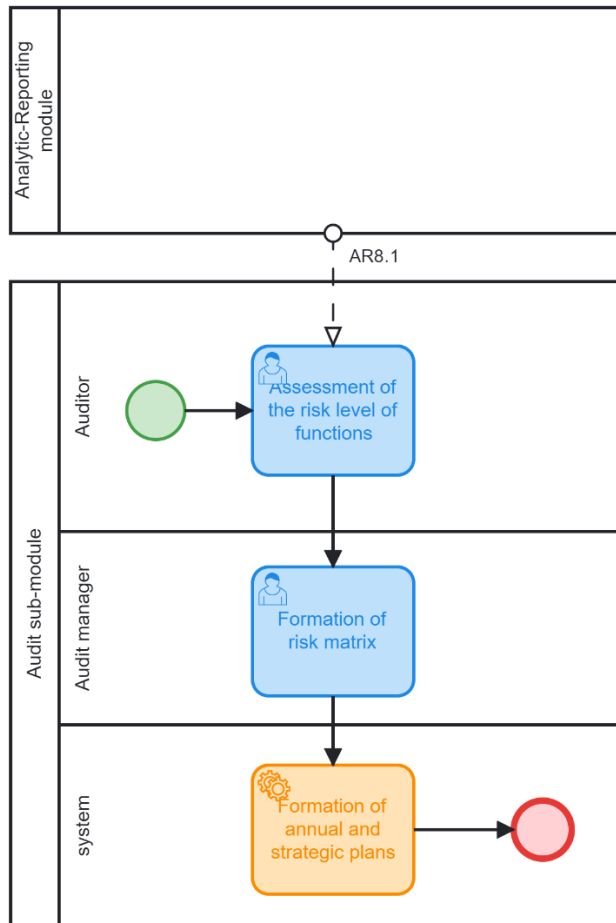
3 . 2 . 1 Internal audit environment design

3 . 2 . 1 . 1 Internal audit environment definition



Purpose:	Internal: audit environment definition
Description / process	<ul style="list-style-type: none"> ➤ Internal: audit the head , based on To the organization pertaining to complete of information on : charter , strategies , sector regarding legal acts , etc. , forms the Organization structure (tree), ➤ Internal: audit the head , based on To the organization pertaining to complete of information on : charter , strategies , sector regarding legal acts , etc. , outlines the Organization internal audit subject to units , functions , and composition their the list ➤ Internal: audit the leader Organization: internal audit subject to units (functions) are distributed by the Organization structured divisions on to decide for each function or of it don't part for responsible _ ➤ Internal: audit the leader constitutes internal _ audit of species to each business process description in it defining incoming values , process description and output expected the values . This the data used internally _ audit implementation time _
Reference available to the process	BP-IA-06-01 , BP-IA-07-01 , BP-IA-07-0 2
Territory:	Internal: audit Module : Audit environment submodule
Actors:	Audit boss
Incoming: data	To the organization pertaining to complete information : charter , strategies , sector regarding legal acts etc _
Output: data	

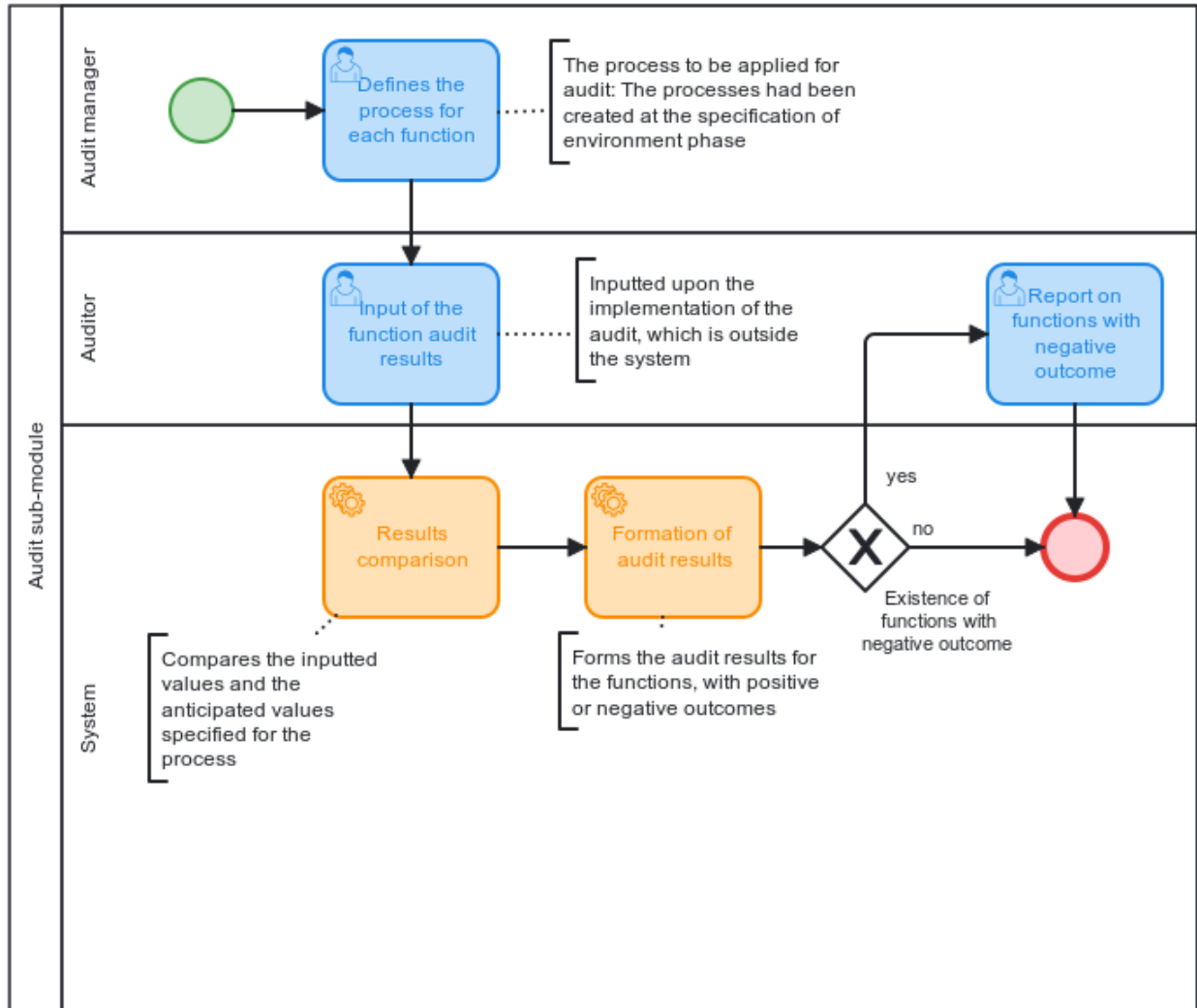
3 . 2 . 1 . 2 Strategic and annual programs design



Purpose:	Strategic and annual programs design
Description / process	<ul style="list-style-type: none"> ➤ The auditor conducts Audit _ in the environment established units (functions) risks assessment , Analytical-reporting from the module receiving necessary data , ➤ Internal: audit the head , based on Estimated risks location on , constitutes the Organization riskiness matrix , internal audit from the point of view of how also makes a decision risks evaluation standards application and their calculation regarding _ ➤ Audit submodule , based on risks of the matrix from data , self -study forms strategic _ the plan , v in which of it first the year is accountable _ of the year per year the program .
Reference available to the process	BP-IA-07-03 , BP-IA-07-0 4, BP-IA-07-0 5, BP-IA-07-0 6

Territory:	Internal: audit Module : Audit submodule
Actors:	Audit Head , Auditor
Incoming: data	PC8.1
Output: data	NA1:

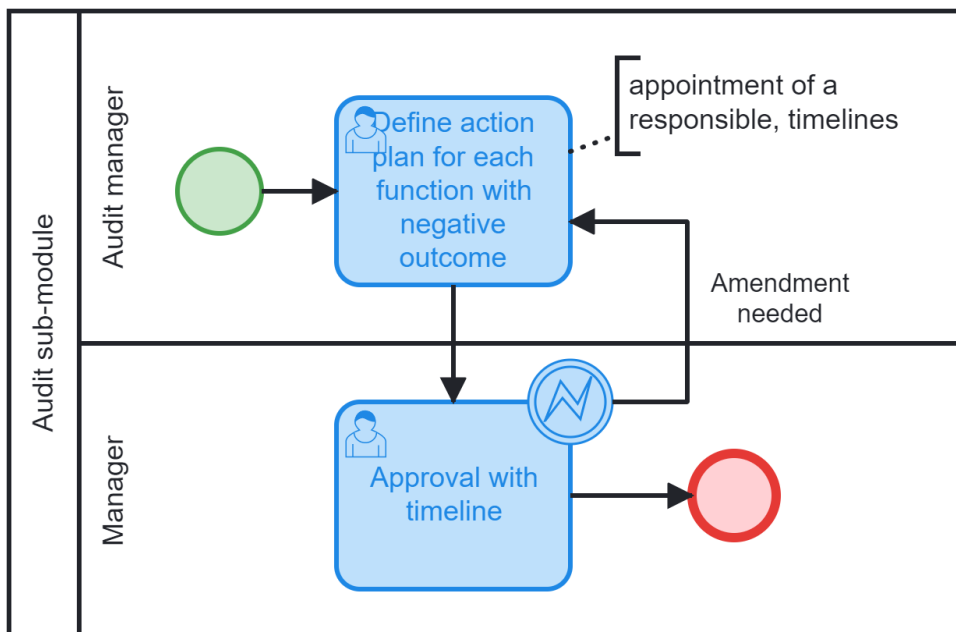
3.2.2 Audit



Purpose:	Audit
Description / process	<ul style="list-style-type: none"> ➤ Internal: audit the leader internal audit per year of the program each unit for selects the process that _ created was environment definition stage ➤ The auditor input implemented _ audit of the task the results

	<ul style="list-style-type: none"> ➤ The system compares results _ in advance established standards with _ ➤ For comparison as a result creates a report , ➤ System is formed negative with the result functions list later _ of actions of the plan definition for _
Reference available to the process	BP-IA-08-01 , BP-IA-08-0 2
Territory:	Internal: audit Module : Audit submodule
Actors:	Audit Head , Auditor
Incoming: data	NA1 .1
Output: data	NA2:

3 . 2 . 3 Actions of the plan definition



Purpose:	Actions: of the plan definition
Description / process	<ul style="list-style-type: none"> ➤ Internal: audit head of audit in process negative with the result each record for defines actions _ plan , means responsible and performance _ deadlines _

	<p>➤ Organization: the boss studies offered _ of actions the program . Organization: the head , recommendations or objections not to have case confirms it , on the contrary case confirms accordingly _ of changes from performance after . With in which approved of actions of the program each point initial status “ No has been done , and ? specified period from completion and appropriate audit from actions after it may be the same stay , or change " Done on time " , " Done on time " . in violation of ” statuses with one , necessary with certificates .</p>
Reference available to the process	BP-IA-08-0 2
Territory:	Internal: audit Module : Audit submodule
Actors:	Organization: Head , Audit boss
Incoming: data	Audit in process negative with the result records
Output: data	NA2:

3 . 2 . 4 years old report

Purpose:	Yearly report
Description / process	All processes during Analytical accountable module are provided analytical data to which based on on is possible _ get variety reports eg _ data organization accountable of the year internal audit activity per year the report . Marked the report presented to the organization to the boss and internally audit to the committee . Marked from the report except is also made summary report which _ Power of Attorney is presented body . With in which Authorized the body too availability has analytical accountable module and from there takes another _ data that _ possibility will give to evaluate internal audit system previous of the year activities and that about publish appropriate report .
Reference available to the process	BP-IA-09-01 , BP-IA-04-01
Territory:	Internal: audit Module : Audit submodule
Actors:	Organization: Head , Audit Head , Authorized body
Incoming: data	PC8:
Output: data	NA2: