
Factors supporting an adequate sizing of internal audit departments in the public sector

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Abstract

This article addresses the issue of determining the appropriate size for the internal audit compartments in the public sector. Public internal control in Romania is undergoing a broad transformation: moving from a standardized management and control (usually through regulations) to an objectives-based management and to a dual control, based on self-management (managerial control), as well as on separate evaluations by independent bodies (public external audit and public internal audit).

Within the article default factors are identified for sizing the audit structures: the risks of the organization and the expectations regarding the manner in which the activity can bring value, which is the basis for the allocation of resources. The dimensioning of the internal audit compartment is analysed in terms of seven critical factors, and a comparative analysis of the proposed models (determinants, strengths/weaknesses, applicability criteria) is presented. For the improvement of the internal audit in the public sector, the Model of the Internal Audit Capacity in the Public Sector is proposed, advanced by The Institute of Internal Auditors. According to it the evolution of the internal audit activity is structured around a number of levels to be attained in succession.

By identifying the factors considered critical for the sizing of the internal audit departments, which have no equivalent (counterpart) in the factors provided for in the current normative framework in Romania, the article contributes to the clarification of issues related to sizing models and procedures in the field.

Keywords: *Internal audit; sizing of audit departments; critical factors in dimensioning; models for sizing the audit departments in the public sector.*

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