



**Seminário**  
**O controle interno**  
**governamental no Brasil**  
**Velhos Desafios, Novas Perspectivas**

*International Experiences : 1. Introductory Session and Overview*

14 a 16 de Maio

Iguassu Resort – Foz do Iguaçu - Paraná



# Introduction

- Sharon Hanson-Cooper M.Sc., CPFA



# Outline of Presentations

## Introduction and Overview

- Internal Controls and Internal Audit – Define
- Contribution of IC/IA to Wider Governance

## Case Study Scenarios

## Lessons Learned Challenges & Opportunities

## Summary

- Brazil – taking internal control & internal audit reforms forward
- Conclusion

# Internal Audit & Internal Controls – Why define them?

- Common understanding of key issues
- Internal Control Definition
- Internal Audit Definition
- Other Integrity Functions / Units

# Internal Control & Internal Audit

- Internal Control
- Internal Audit
- Extent of Stakeholder Understanding
- Extent to which IC and IA integrated with other management reforms and a risk based approach
- Other Integrity Units and Actors

# Internal Control – COSO

## COSO Internal Control Model

- Control environment
- Risk assessment
- Information & communication systems
- Control activities
- Monitoring processes

# Internal Control – INTOSAI

## INTOSAI GOV 9100 Guidelines Public Sector Internal Control Standards

Internal control is an integral process that is effected by an entity's management and personnel and is designed to address risks and to provide reasonable assurance that in pursuit of the entity's mission, the following general objectives are being achieved:

- executing orderly, ethical, economical, efficient and effective operations;
- fulfilling accountability obligations;
- complying with applicable laws and regulations;
- safeguarding resources against loss, misuse and damage.

# Internal Audit

- Internal Audit strengthened in parallel with internal control
- Role of modern internal auditing has three main elements : the evaluation and improvement of risk management, internal control and governance



# Internal Audit

- A well configured internal audit function plays a vital role in the governance & accountability process of public sector institutions
- IA needs the understanding and support of senior management to enhance its effectiveness

# Internal Audit Definition

- Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

# Other Integrity Actors

- Ombudsman
- Inspection Units
- Prosecutor
- Integrity Units / Committees
- Anti-Corruption Units
- Ethics Committees
- SAI



# IC & IA Contribution to Governance

- Why is a well functioning internal control environment and internal audit function important?
- Results of governance failure
- Causes of governance failure

# IC & IA Contribution to Governance

- Brazil – enhancing public governance is key element in the country's political reform agenda which aims at making government more cost effective, improving accountability, and preventing corruption

# Contribution to Governance : Brazil

- Manage risks associated with innovation in public service delivery
- Implementation of risk based systems of IC
- Minimize waste & achieve value for money
- Promote transparency & citizens engagement
- Embedding high standards of conduct
- Enhancing integrity in public procurement