



**PEMPAL Internal Audit Community of Practice (IACOP)**  
***Internal Control Working Group (ICWG) Meeting***  
**48th IACOP meeting**  
**Tbilisi, Georgia**  
**29-30 October 2018**

**Objectives**

- Understand control environment and application of related COSO principles in the public sector context
- Identify interlinkages with other COSO principles and the three lines of defence model
- Share good practices and practical tools for establishment of sound internal control environment in a public sector organisation
- Establish criteria for assessment of control environment in the public sector context

**Expected outcomes**

- Common understanding on how to apply or adapt the COSO principles related to Component 1 (Control Environment) and establish a sound control environment in the public sector
- Collect good practices and practical tools for establishment of sound internal control environment in a public sector organization
- Draft discussion paper on control environment
- Draft criteria for assessment of control environment in the public sector

**Pre-meeting reading**

**Mandatory:** PEMPAL IACOP draft discussion paper on control environment <https://www.pempal.org/ru/events>

**Optional:**

- European Commission, PIC Network's Discussion Paper "Towards an optimal Control Environment"  
<http://ec.europa.eu/budget/pic/lib/docs/2015/CD05ICenvironment-DiscussionPaper.pdf>
- Leveraging COSO across the three lines of defence by The Institute of Internal Auditors, 2015  
<https://www.coso.org/Documents/COSO-2015-3LOD.pdf>

Time	Activity	Objectives
<b>DAY 1 – Monday, 29<sup>th</sup> of October, 2018</b>		
<b>08.30-09.00</b>	<b>Registration and distribution of materials</b>	
<b>9.00-9.15</b>	<b>Official welcome</b> <i>Ms. Giuli Chkuaseli, Head of CHU, Minister of Finance, Georgia</i> <i>Ms. Edit Nemeth, Leader of ICWG; Head of CHU, MOF, Hungary</i> <i>Mr. Arman Vatyan, IACOP Lead; Governance, the World Bank</i>	Welcome the participants
<b>09.15-09.30</b>	<b>Presentation of the objectives and expectations of the meeting</b> <i>Ms. Edit Nemeth, Leader of ICWG; Head of CHU, MOF, Hungary</i>	Introduce the objectives of the ICWG and present the agenda
<b>9.30-10.30</b>	<b>Leveraging COSO across the three lines of defence</b> <i>Mr. Jean-Pierre Garitte, WB Consultant; EC Audit Progress Committee member; former Chairman of the IIA Board</i>	Identify interlinkages with other COSO principles and the three lines of defence model
<b>10.30-11.00</b>	<b>Networking break</b>	
<b>11.00-11.50</b>	<b>Assessment tool applied in the Netherlands</b> <i>Mr. Manfred van Kesteren, National Academy for Finance and Economics, Internal Audit Internal Audit Manager, MOF, the Netherlands</i>	Share good practices and practical tools for establishment of sound internal control environment in a budget organization
<b>11.50-12.40</b>	<b>The practice of EU in assessment of control environment</b> <i>Mr. Mirco Barbero, Internal Audit Service, European Commission</i>	Share good practices and practical tools for establishment of sound internal control environment in a budget organization
<b>12.40-13.40</b>	<b>Lunch</b>	
<b>13.40-14.00</b>	<b>Introduction of control environment</b> <i>Mr. Richard Maggs, WB Consultant; former Director International of UK NAO</i>	Understand control environment and application of related COSO principles in the public sector context
<b>14.00-15.30</b>	<b>Working on the draft PEMPAL discussion paper</b> <i>Ms. Edit Nemeth, Leader of ICWG; Head of CHU, MOF, Hungary – Facilitator</i> <i>Mr. Richard Maggs, WB Consultant; former Director International of UK NAO</i>	To discuss and collect proposals for further development of the document
<b>15.00-15.30</b>	<b>Networking break (combined with the previous session)</b>	
<b>15.30-15.45</b>	<b>Introduction of the IACOP Enabling groups</b> <i>Ms. Diana Grosu-Axenti, WB Consultant; former head of CHU, Centralised Audit Service, Financial Inspection of Moldova</i>	Explain the role and tasks of the IACOP Enabling Groups
<b>15.45-17.00</b>	<b>Break out group discussion on assessment criteria for Principle 1: The organization demonstrates a commitment to integrity and ethical values.</b>	Establish criteria for assessment of control environment in the public sector context, and agree values.

Time	Activity	Objectives
		on the structure and objectives of the IACOP assessment tool
19-00	DINNER IN HOTEL	
<b>DAY 2 – Tuesday, 30<sup>th</sup> of October, 2018</b>		
09.00-10.30	Break out group discussion on assessment criteria for Principle 2. The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control. Principle 3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.	Establish criteria for assessment of control environment in the public sector context
10.30-11.00	Networking break	
11.00-12.30	Break out group discussion on assessment criteria for Principle 4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives. Principle 5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.	Establish criteria for assessment of control environment in the public sector context
12.30-13.00	Break out group discussion on the next steps	Agree on the way forward
13.00-13.15	Wrap up of the event and closing	Clarify the scope of the next meeting, handing over certificates and closing
13.15-14.15	Lunch	
20-00	DINNER AT HOTEL	