



PEMPAL Internal Audit Community of Practice (IACOP)
Internal Control Working Group (ICWG) Meeting
51st IACOP meeting
Skopje, North Macedonia, April 10 - 11, 2019

Objectives

- Understand Components 2 and 3 of the COSO - risk assessment and control activities – and how they apply with the related principles to the public sector
- Determine criteria to assess these two COSO components in the public sector context
- Share good practices and practical tools for applying risk assessment and establishing control activities in public sector organizations
- Identify links between the COSO principles and the three lines of defense model
- Learn experience from North Macedonia on the development of the Public Internal Financial Control Policy Paper
- Review the draft Pempal Guidance for internal auditors on assessing the effectiveness of internal control

Expected outcomes

- Improved understanding of how to apply or adapt Components 2 and 3 of the COSO and related principles to the public sector
- Drafted criteria for the assessment of these two COSO components in the public sector
- Collected good practices and practical tools for the application of risk assessment and the establishment of control activities in a public sector organization
- Understand country experience on the development of the Public Internal Financial Control Policy Paper
- Extended draft PEMPAL Guidance for internal auditors on assessing the effectiveness of internal control by covering risk assessment and control activities and draft control environment section finalized

Pre-meeting reading (www.pempal.org)

- Mandatory:
 - Welcome to PEMPAL guide (for new joiners)
 - PEMPAL Guidance for internal auditors on assessing the effectiveness of internal control:
<https://www.pempal.org/events/iacop-internal-control-wg-and-audit-practice-wg-meetings> (all participants)
- Recommended: IACOP Knowledge products

Time	Activity	Objectives
DAY 1 – April 10, 2019		
09.00 – 09.15	Presentation of the objectives and expectations of the meeting <i>Ms. Edit Nemeth, Leader of ICWG; Head of CHU, MOF, Hungary</i> <i>Mr. Arman Vatyán, IACOP Lead; Governance, the World Bank</i>	Introduce the objectives of the ICWG and present the agenda
09.15 – 10.30	Panel discussion on the new PIFC Policy Paper of North Macedonia <i>Ms. Tatjana Trajkovska, Ministry of Finance, North Macedonia</i> <i>Mr. Raymond Hill, PIC Team Leader, DG Budget, European Commission</i> <i>Ms. Mirosława Boryczka, Senior Policy Advisor, Public Financial Management, IPA Regional Liaison, OECD SIGMA</i> <i>Mr. Manfred van Kesteren, National Academy of Finance and Economics, The Netherlands</i> <i>Ms. Edit Nemeth, Leader of ICWG; Head of CHU, MOF, Hungary - Moderator</i>	Share experience of North Macedonia in elaboration of PIFC Policy paper
10.30 – 11.00	Networking break	
11.00 – 11.30	Republic of South African experience: IC principles related to the implementation of the components 2 and 3: interlinkage with 3 line of defence model and practical tools to be applied <i>Ms. Pulane Mkhize, Director, Internal Audit, MOF, RSA</i>	Share good practices and practical tools for applying risk assessment and establishing control activities in public sector organizations. Identify links between the COSO principles and the three lines of defence model.
11.30 – 12.15	Good practices for risk assessment and control activities <i>Ms. Costanza Schivi, Internal Auditor, DG IAS, EC</i>	Understand Components 2 and 3 of the COSO - risk assessment and control activities – and how they apply with the related principles to the public sector
12.15 – 13.15	Fishbowl: Challenges and opportunities in implementing IC components 2 and 3: risks assessment and control activities in PEMPAL countries and beyond <i>Mr. Raymond Hill, PIC Team Leader, DG Budget, European Commission</i> <i>Ms. Ljerka Crnkovic, Ministry of Finance, Croatia</i> <i>Ms. Edit Nemeth, Leader of ICWG; Head of CHU, MOF, Hungary</i> <i>Mr. Petru Babuci, Ministry of Finance, Moldova</i> <i>Ms. Mioara Diaconescu, Ministry of Public Finance, Romania</i> <i>Mr. Jean-Pierre Garitte, WB Consultant; EC Audit Progress Committee member; former Chairman of the IIA Board</i>	Share good practices and practical tools for applying risk assessment and establishing control activities in public sector organizations. Identify links between the COSO principles and the three lines of defense model.
13.15 – 14.15	LUNCH	

14.15 – 15.00	The Netherland's FMC assessment tool: Risk assessment and control activities <i>Mr. Manfred van Kesteren, National Academy of Finance and Economics, The Netherlands</i>	Determine criteria to assess these two COSO components - risk assessment and control activities – in the public sector context
15.00 – 16.00	On-line presentation on the updated draft PEMPAL Guidance for internal auditors on assessing the effectiveness of internal control <i>Mr. Richard Maggs, WB Consultant, former Director International of UK NAO</i>	Understand Components 2 and 3 of the COSO - risk assessment and control activities – and how they apply with the related principles to the public sector
16.00 – 16.15	Networking break	
16.15 – 17.15	Reviewing the draft PEMPAL Guidance for internal auditors on assessing the effectiveness of internal control (break out group work)	Review the draft PEMPAL Guidance for internal auditors on assessing the effectiveness of internal control
17.15 – 17.30	Conclusion and summary of the first day	Share main conclusions of the day by experts
DAY 2 – April 11, 2019		
9.00 – 9.45	Other IC assessment tools – experience from OECD SIGMA <i>Ms. Mirosława Boryczka, Senior Policy Advisor, Public Financial Management, IPA Regional Liaison, OECD SIGMA</i>	Determine criteria to assess 'risk assessment' in the public sector context
9.45 – 11.00	Working on the draft PEMPAL Guidance for internal auditors on assessing the effectiveness of internal control – Risk assessment	Determine criteria to assess 'risk assessment' in the public sector context
11.00 – 11.30	Networking break	
11.30 – 12.30	Working on the draft Pempal Guidance for internal auditors on assessing the effectiveness of internal control – Control activities (break out group work)	Determine criteria to assess 'control activities' in the public sector context
12.30 – 13.00	Next steps, Enabling groups reporting, and Closing	
13.00-14.00	LUNCH	