



Controls in the Public Sector A Course Proposed for the Government of Nunavut

Michael L. Piazza, Principal Associate of Professional Development Associates (PDA) has over thirty years experience in the public and third sector as an executive administrator, auditor and course developer and presenter. Recently, Michael has served for over a year and a half as a consulting executive in the university research area providing executive authority in developing a new U.S. Federally funded organization implementing the first year's budget, creating the related control structure and governance chain, developing performance and operational measures.

During 2006, Michael pioneered a public sector training initiative for the Institute of Internal Auditors, Inc., bringing a series of public sector specific courses to seminar sites. Also, from 2003 to 2007 Michael served a myriad of public sector entities in control consulting and instruction. Those entities included (but not limited to): U.S. Department of Homeland Security, Customs and Border Protection Regulatory Audit Division; U. S. National Science Foundation Office of the Inspector General; U. S. Department of Defense Office of the Inspector General; Government of Nunavut (Iqaluit and Rankin Inlet, Canada); Province of Alberta, Office of the Internal Auditor; Capital Health of Alberta; Istanbul Municipality (Istanbul, Turkey); U. S. Department of Energy; U. S. National Aeronautics and Space Administration; and others.

The course offering is entitled Controls in the Public Sector, which was created from Michael's international experience at the local, state, and national government levels. The course flow is based on the Committee of Sponsoring Organizations (COSO) Integrated Framework of Internal Controls. Since the COSO Framework is written specifically for private sector for-profit entities, Michael has modified and focused the concepts of the COSO model in this course for application specifically for public and third sector entities.

The course is intended to give enough conceptual depth for the participants to take home a set of tools and concepts to apply in their daily work at their own organization. The concepts are practiced and applied during the course using a case created specifically for public sector controls applications. During the case presentations, participants gain experience in assisting in their group's case development and presentation, as well as gaining additional knowledge from the development and presentation by the other groups. The cross fertilization and knowledge sharing is the power of the course.

The course is designed as a five day course offering for open enrollment seminars; however, when offered as an in-house or on-site offering it is best facilitated as a three day course. Attached is the three day course agenda. The overriding objective of the course is to provide the participants with a general knowledge of the COSO framework while providing an in-depth conceptual basis of control applications by using a set of applied tools which are practiced in cases and exercises. These concepts and tools are useable by the participants immediately after the course and upon their return to the workplace.

Audience: the course is intended for participants ranging from mid level to senior level business managers, administrators, accountants, auditors, as well as administrative and operational executives. In essence, all employees responsible for designing, implementing, practicing or monitoring the internal controls of the organization.



Controls in the Public Sector
Developed and Presented by Professional Development Associates
Proposed Adaptation for the Government of Nunavut

Day One

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| 8:30 | 9:15 | <p><i>Course Overview, Introductions</i></p> <p>A comprehensive overview of the course flow giving the participants a foundation for the relationships and objectives of each segment. Participants are asked to introduce themselves and state their objectives from the course.</p> |
| 9:15 | 10:15 | <p><i>Public Sector Organization, Structure and Accountability</i></p> <p>The public sector organization is analyzed and compared to private sector organizations in terms of overall organizational type and structure with an emphasis on the resulting accountability and financial reporting.</p> |
| 10:15 | 10:30 | <p><i>Break</i></p> |
| 10:30 | 12:00 | <p><i>Overview of the Committee of Sponsoring Organizations' (COSO) Integrated Framework of Internal Control</i></p> <p>The COSO Framework is the most accepted and authoritative conceptual statement of internal controls. This brief overview will provide the reference point of the controls flow for public sector entities with each of the course concepts tied directly to the COSO framework. Anyone who has a copy of the COSO document is encouraged to bring it to the course with him/her. Handouts of critical portions will be provided.</p> |
| 12:00 | 1:00 | <p><i>Lunch</i></p> |
| 1:00 | 2:15 | <p><i>Public Sector Governance</i></p> <p>The most critical factor of public sector organizations is the effective and orderly discharge of responsibility and oversight roles of all of the elements and factions of the governance hierarchy. Participants are asked to individually analyze the governance chain of their organization and relate those in a group discussion.</p> |
| 2:15 | 2:30 | <p><i>Break</i></p> |
| 2:30 | 3:15 | <p><i>Organizational Mandate</i></p> <p>All public sector organizations have an authoritative action or documentary statement that underlies the creation and existence of the organization. Participants explore the mandate of their individual organizations and discuss in a group. The participants are then assigned to a case group (which they will participate in for the remainder of the course) and study the legislative mandate of the Case Organization.</p> |
| 3:15 | 4:30 | <p><i>Purpose, Scope and Authority</i></p> <p>Every organization has a reason to exist generally stated as a mission statement. This mission is more elaborate in a public sector entity and must include the purpose as stated in the organizational mandate and must contain the scope and authority designated for its operation. The participants explore these concepts in the Case Organization and from the case materials must develop (as a group) a concise Statement of Purpose, Scope and Authority.</p> |
| 4:30 | 5:00 | <p><i>Summary of the day's lessons, question and answer session.</i></p> |



Day Two

8:30	9:15	<i>Objectives, Risks and Controls</i> A comprehensive overview of the process of establishing objectives, identifying related risks and creating controls. The COSO framework is used to identify the three separate, but overlapping, categories of objectives.
9:15	10:15	<i>Objectives in Public Sector Organizations</i> Using the Case Organization, the participant groups determine appropriate documentable objectives and related measurable outcomes.
10:15	10:30	<i>Break</i>
10:30	12:00	<i>Risks in Public Sector Organizations</i> Using the objectives created in the above case work, the participant groups use a matrix approach and indentify the risks associated with the objectives. The groups identify risks, rate them on a scale of likelihood and a scale of impact/importance.
12:00	1:00	<i>Lunch</i>
1:00	2:15	<i>Controls in Public Sector Organizations</i> After the completion of objectives and risk identification, the participant groups design controls for each identified objective. This is an open ended process and encourages in depth business process thinking as well as compliance and regulatory enforcement.
2:15	2:30	<i>Break</i>
2:30	3:15	<i>Controls in Public Sector Organizations (Continued)</i>
3:15	4:30	<i>Group Presentations of the Objectives, Risks and Controls Case</i>
4:30	5:00	<i>Summary of the day's lessons, question and answer session.</i>



Day Three

8:30	9:30	<i>Oversight and Accountability</i> The results of operations and accomplishment of the organizational mandate are the crux of the public sector entity's performance. Participants analyze their current operations and the mechanisms and processes in place that serve the oversight and accountability function. These are presented in group discussion.
9:30	10:15	<i>Oversight and Accountability Case</i> Using the Case Organization, the participant groups determine appropriate documents, reports and lines of communication to establish effective oversight and accountability for the Case Organization.
10:15	10:30	<i>Break</i>
10:30	12:00	<i>Oversight and Accountability Case (Continued)</i> Case continued. Group results are presented.
12:00	1:00	<i>Lunch</i>
1:00	2:15	<i>Course Summary and Conclusions</i>
2:15	2:30	<i>Break</i>
2:30	3:15	<i>Questions and Answer Session</i>
3:15	4:30	<i>Items for Discussion not directly covered in course flow.</i>
4:30		<i>Course Adjourn</i>

