

COSO Internal Control Integrated Framework and implementation challenges in the Public Administration

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Abstract: One of the basic principles which Public Administration function is based on, is that of legality. In this sense, the actions of the Public Administration should be based upon a solid legal framework. As a consequence, before us lies the following question: Who will assure the conformance of the Public Administration with the legal framework?

Certain answers have been proposed. Either in the form of hierarchical control and segregation of duties, or in a form of external control which could consist of the external audit for public spending (Court of Auditors) and the control exercised upon the public administration from Independent Administrative Authorities or Administrative Justice.

In addition, nowadays, there is a trend to adopt and adapt methods and practices from the private sector. One of these, is the adoption of the Internal Audit and Internal Control from the Public Administration to provide reasonable assurance that the authority will not only achieve its predetermined objectives, but also that this will be done in full conformance with the legal framework.

The proposed article will present the concepts of Internal Audit and Internal Control and where lies their main differences. There will be a qualitative approach on Internal Control in Public Administration. Its first part will describe the COSO Internal Control framework and in its second will provide general guidelines on how it can be implemented within the context of the Public Administration.

More specifically in the first part will be presented:

- The definition of Internal Control and its differences with Internal Audit
- The structure of the COSO framework
- The way that it can be assessed
- The intrinsic weaknesses

In the second part will be presented:

- Key challenges and weaknesses for its implementation in the Public Administration
- Key Success Factors
- Concrete steps taken from the Greek Public Administration towards the implementation the Internal Audit and Internal Control System.

In its Appendixes specific focus points will be covered concerning:

- Examples of Applications of the COSO Internal Control Integrated Framework
- Examples of IT Governance frameworks
- Certifications