

Soft Controls Evaluation

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Internal Controls

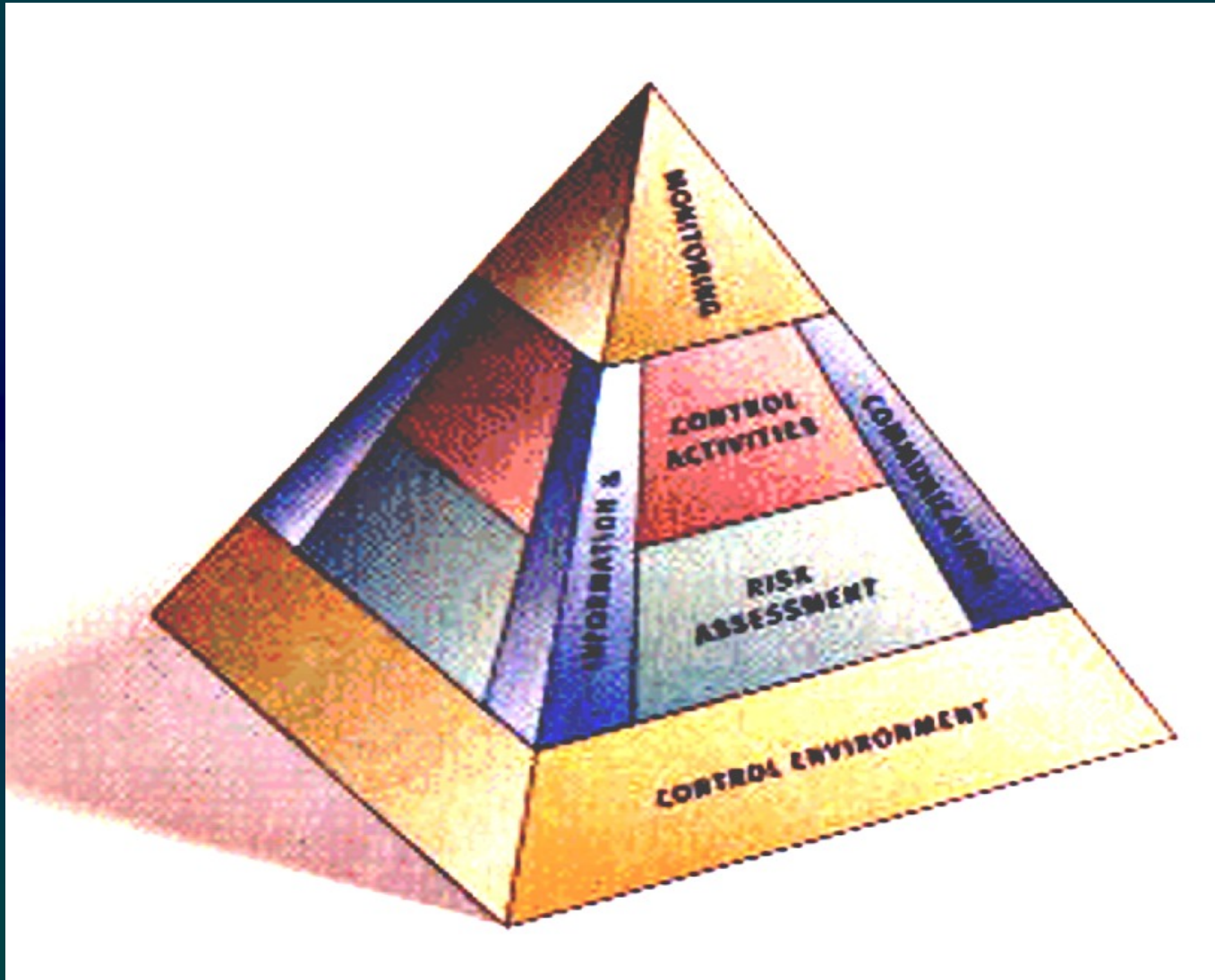
All the things we do to ensure that all the things we want to happen, happen

And the things we don't want to happen, don't

Internal Controls

- ❖ Control Environment
- ❖ Risk Assessment
- ❖ Policies and Procedures
- ❖ Information and Communication
- ❖ Monitoring

Internal Controls



Control Environment

- ❖ Management's attitude, philosophy and operating style.
- ❖ Ethics and integrity.
- ❖ Commitment to competence.

Control Environment

How do you assess these?



Control Environment

- ❖ Tone at the top.
- ❖ Trickles down to all organization levels.
- ❖ Affects all components of internal controls.
- ❖ **Staff experience with management !**

Soft Controls Survey

- ❖ Asks staff about their experiences with management
- ❖ Statements about organization conditions
- ❖ Strongly Agree (4)
- ❖ Agree (3)
- ❖ Disagree (2)
- ❖ Strongly Disagree (1)
- ❖ I Don't Know (0)
- ❖ Comments

Control Environment

- ❖ The acts and actions of management are consistent with the stated values and conduct expected of all other employees.
- ❖ Management strives to comply with the laws, rules and regulations affecting the organization.

Risk Assessment

- ❖ I have sufficient resources, tools and time to accomplish my objectives.
- ❖ In my department, we identify barriers and obstacles and resolve issues that could impact achievement of objectives.

Policies and Procedures

- ❖ Employees who break laws, rules and regulations affecting the organization will be discovered.
- ❖ Employees who break laws, rules and regulations affecting the organization and are discovered will be subject to appropriate consequences.

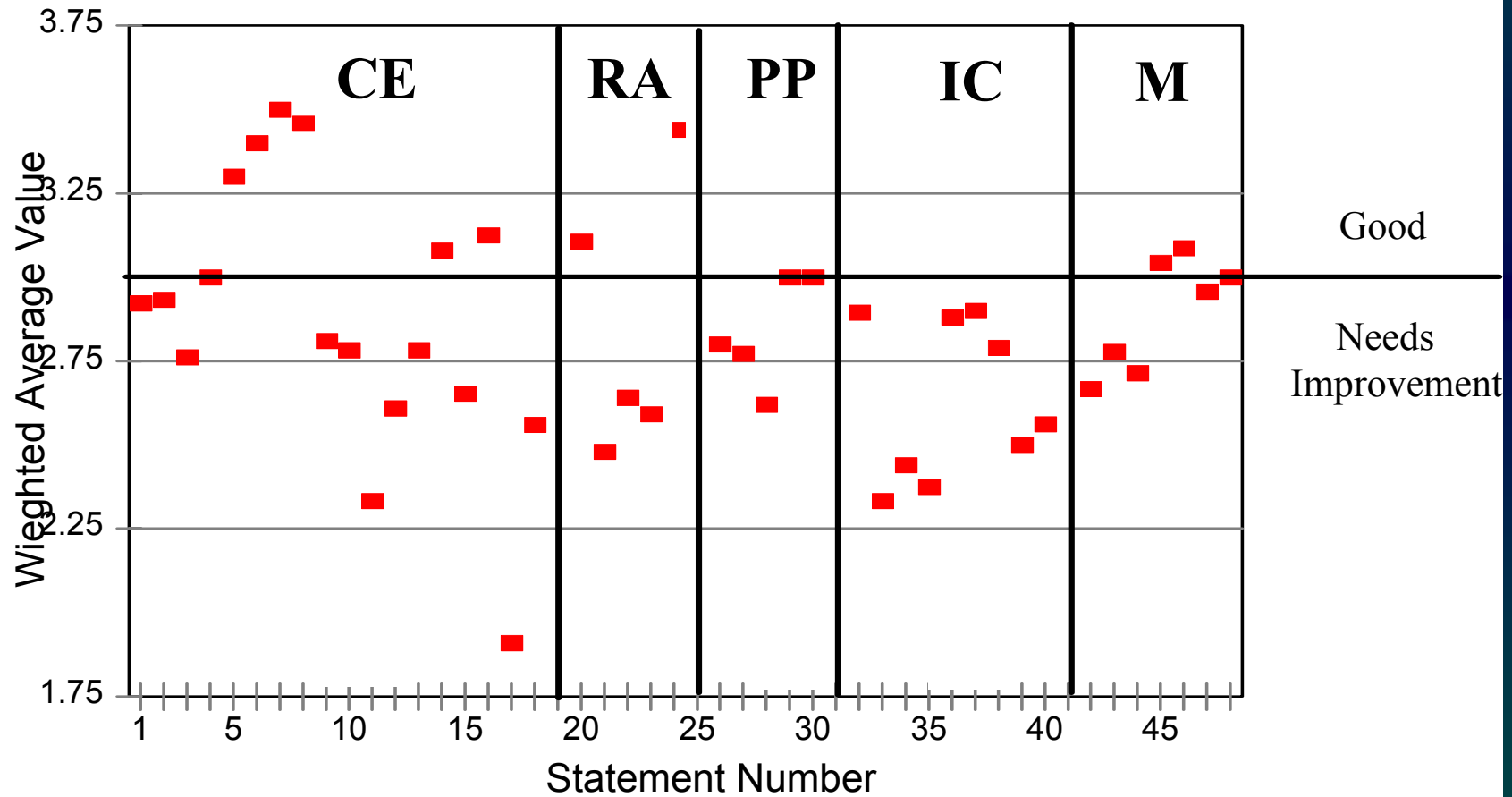
Information and Communication

- ❖ The communication across departmental boundaries within my organization enables us to perform our jobs effectively.
- ❖ If I report a wrongdoing to my supervisor, I am confident the wrongdoing will stop.

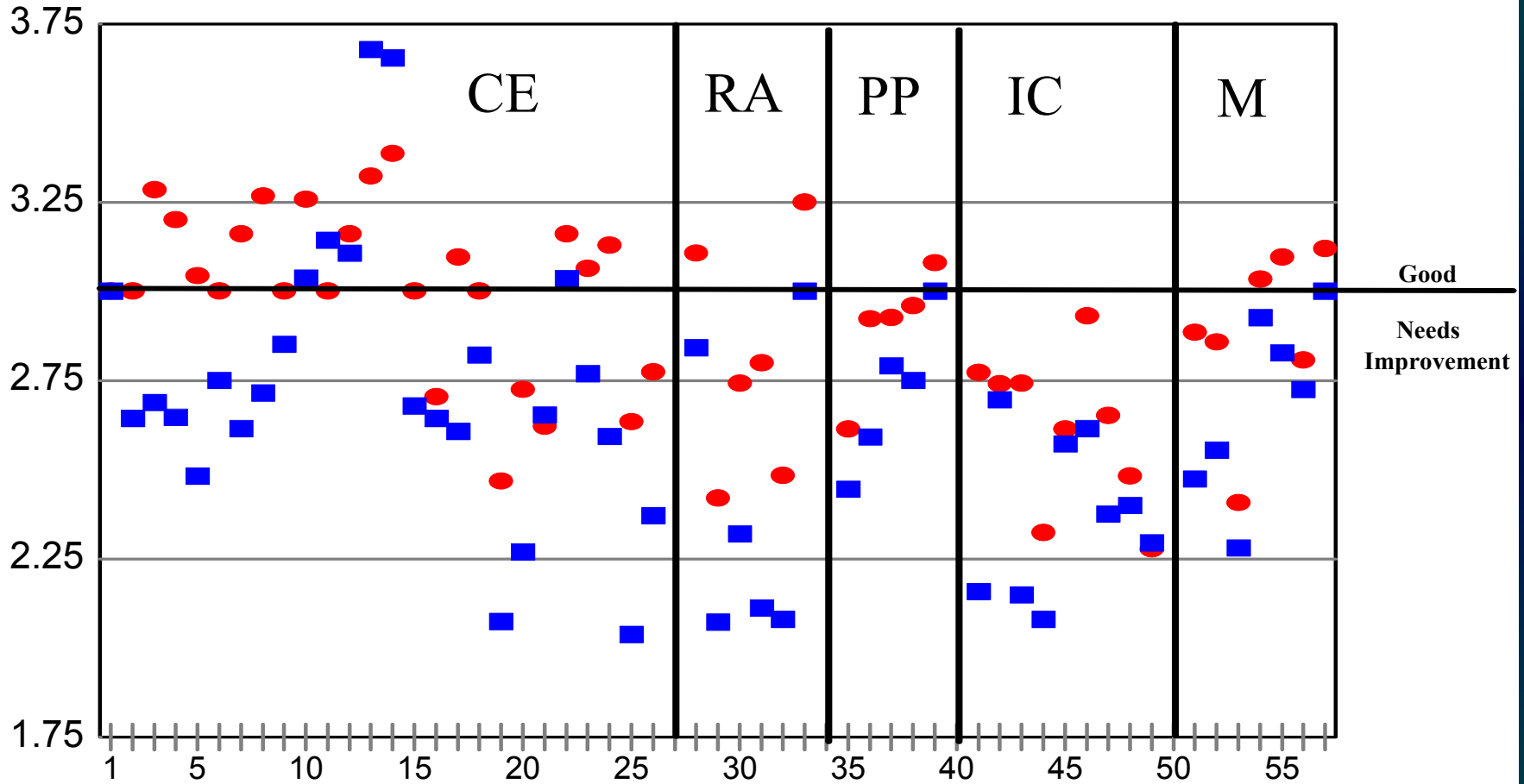
Monitoring

- ❖ Internal and/or external feedback and complaints are followed up on in a timely and effective manner.
- ❖ My supervisor reviews my performance with me at appropriate intervals.

Weighted Average Distribution



Weighted Agerage Distribution



Comment Examples

- ❖ My director does things on his computer that he asks me not to do.
- ❖ My immediate supervisor withholds information that would make my job flow smoother.
- ❖ My supervisor has not been honest with his boss regarding work issues.

Comment Examples

- ❖ My supervisor knows what the problems are, but doesn't do anything to correct them.
- ❖ My bosses will do anything to get a payment past OSC.
- ❖ Staff training has been minimal.
- ❖ Management ignores employee transgressions.

Comment Examples

- ❖ I don't get performance evaluations.
- ❖ Why bother – things won't change.
- ❖ Policies may change based on your position in the organization.
- ❖ Complaints are back-shelved until there's a catastrophe in the office.

Impact

- ❖ Ineffective managers have been removed from their posts.
- ❖ Staff get the proper training.
- ❖ Auditors know how to focus their audit scope and can refine their testing.

For an electronic copy of the
survey to adapt to your own
organization, contact me

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