

1: Is the hierarchy of components, principles, and attributes clearly explained?

The hierarchy is clearly explained in the document. The hierarchy, as presented, nicely organizes the content of the document and allows for easy reference between sections. Moreover, the hierarchy prevents all of the written content of a particular section from reading as one large conglomeration of information. The parsing of the information gives the reader a clearer understanding of the content of each section.

2: Are there any internal control concepts unique to the government environment that should be in the Green Book that are not currently included?

We do not believe the Green Book missed any concepts unique to the government. However, during our brainstorming session, we commented that the Green Book should possibly comment on the internal control environment during a disaster situation. For example, during an agency disaster recovery, it may be impossible for the agency to maintain robust segregation of duties. In general, we were wondering if there should be specific guidance concerning the internal control framework, or lack thereof, during a disaster/disaster recovery situation. Ideal conditions are not always present and having guidance on internal controls during a contingency would be very helpful.

3. Does the framework provide the necessary information to allow program managers to controls for their programs?

We believe that the components, principles and attributes contained in the document provide more than adequate information/guidance on how to evaluate a manager's program. All component sections of the document detail best practices and how to achieve them. As previously stated, this is where the hierarchy really assists a reader. The reader/program manager is able to take their program as a whole and compare it, step-by-step, against the best practices detailed in the Green Book. There is not much room for confusion or ambiguity.

4. Does the Green Book provide adequate criteria for auditors?

Yes. A prudent auditor would be able to review the content of the Green Book and develop an audit plan to review/test the internal control framework. The components, principles and attributes give an auditor specific testable items when reviewing an internal control framework. Also, if the internal control framework being reviewed is deficient when measured against the Green Book, the auditor is able to use the content of the Green Book to develop audit issues based on the best outstanding practices of the Green Book's components, principles and attributes.

5. Are the requirements for management to design, implement, and operate an internal control system clear, understandable, and adequate?

The Green Book does a very good job of explaining that it is management's responsibility to design, implement and operate an internal control system. This is made abundantly clear throughout the document. We believe this redundancy is very important as it is the cornerstone of an effective internal control system. Management is repeatedly put on notice that they alone are responsible for the design and overall adequacy of the internal control system.

6. Is the evaluation of deficiencies discussion clear, understandable, and adequate?

We believe that the document could use a more robust discussion on internal control implementation, design and evaluation. In the past, we have seen hypothetical examples of how a particular control is designed, implemented and evaluated for potential deficiencies. This “test case” would afford the reader a real world example of the entire life cycle (progression) of a particular control. We believe a hypothetical example would go a long way in helping the reader understand the totality of a control’s progression from design through ongoing evaluation.

7. Are the roles, divisions, and overlaps of responsibility for the oversight body, management, and personnel clear, understandable, and adequate?

The Green Book does a good job of defining the various user responsibilities and communicating when overlap is appropriate. Each role is defined in a way that enables the reader to understand why that particular role is both important and how it relates to the overall internal control framework. We also believed that the document does a good job explaining why overlap of responsibilities is sometimes crucial. This shows the user that segregated responsibilities are not always the best way to implement effective internal control.

8. Are the documentation requirements included in the Green Book clear, understandable, and adequate?

Yes. We liked the way that section 04.08 of the document specifically points out that there are documentation requirements and then specifically points the reader to those applicable sections. This allows the reader easy access to these sections and prevents the reader from unnecessarily having to search for those sections. We also thought that by including the language in 04.08, the reader is put on early notice that robust documentation requirements are required when developing an internal control framework.

9. Is there a need for additional internal control implementation guidance? If so, what form should it take?

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Also, section 03.05 defines a deficiency in implementation as a control not implemented correctly. This language seems to be ambiguous.

10. Is this Green Book written in such a way to allow state, local, and quasi-governmental entities, as well as not-for-profit organizations, to adapt it for their own use?

The Green Book is definitely written in a way that would allow other governmental entities and not-for-profits to utilize it. The text provides a general framework that is very informative and practical, but not too federal government centric. In fact, the Green Book is written in such a way that all entities, the private sector included, could potentially benchmark their internal control framework/processes to its content.