

# Cultura Organizacional Nas Auditorias Internas: Administrando A Mudança Cultural Em Busca Da Excelência Em Seus Serviços

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**Resumo**— *O gerenciamento da mudança cultural é necessário a partir do momento em que inovar é imprescindível para manter uma organização em um determinado cenário. Esse processo de mudança pode vir por meio da criação de um plano estratégico de longo prazo. Em seguida, uma internalização dos objetivos e metas definidos no plano a fim de que todos os colaboradores tenham conhecimento da situação atual e da situação prevista, aquela que se deseja. A nosso ver, uma mudança cultural partindo desse ponto é bem mais aceita do que aquela em que se deseja implantar repentinamente, o engajamento de toda a organização é bem maior. No entanto, existem algumas particularidades quando o assunto é administração da mudança cultural e gestão de pessoas na Administração Pública, pois o gestor está adstrito ao que determina a Carta Magna de 1988, em seu artigo 37. É salutar, no entanto, que as Normas Brasileiras de Contabilidade (Auditorias Internas Privadas) bem como os Manuais da Controladoria Geral da União (Auditoria Internas Governamentais) preconizam que a Auditoria Interna deve estar ligada à alta administração (de preferência ao Conselho de Administração, se houver) para que tenha a autonomia necessária na realização dos seus trabalhos. Nesse ponto, evidencia-se que, em que pese a legislação (no âmbito das Auditorias Governamentais) ser um limite para uma administração da mudança organizacional pública, este setor ainda possui uma maior autonomia para isso dado seu posicionamento hierárquico.*

**Palavras-chave**— *Cultura. Auditoria. Organização. Mudança. Qualidade.*

**Resumen**— *La gestión del cambio cultural es necesaria desde el momento en que la innovación es fundamental para mantener una organización en un escenario determinado. Este proceso de cambio puede producirse mediante la creación de un plan estratégico a largo plazo. Luego, una internalización de los objetivos y metas definidos en el plan para que todos los empleados estén al tanto de la situación actual y de la situación prevista, la que se desea. En nuestra opinión, un cambio cultural a partir de este punto es mucho más aceptado que uno en el que se quiere implementar de repente, el compromiso de toda la organización es mucho mayor. Sin embargo, existen algunas particularidades a la hora de gestionar el cambio cultural y la gestión de las personas en la Administración Pública, ya que el directivo está obligado por lo que determina la Constitución de 1988, en su artículo 37. Es sano, sin embargo, que las Normas Las Sociedades Contables Brasileñas (Auditorías Internas Privadas) así como los Manuales de la Contraloría General de la Federación (Auditorías Internas Gubernamentales) recomiendan que la Auditoría Interna debe estar vinculada a la alta gerencia (preferiblemente a la Junta Directiva, si la hubiera) para que tenga la autonomía necesaria en la realización de su trabajo. En este punto, es evidente que, a pesar de que la legislación (en el ámbito de las Auditorías Gubernamentales) es un límite para una administración de cambio organizativo público, este sector aún tiene mayor autonomía para ello dado su posicionamiento jerárquico.*

**Palabras clave**— *Cultura. Auditoría. Organización. Cambio. Calidad.*

# Organizational Culture in internal Audits: Managing Cultural Change in Search of Excellence in its Services

**Abstract**— The management of cultural change is necessary from the moment that innovation is essential to maintain an organization in a given scenario. This change process can come through the creation of a long-term strategic plan. Then, an internalization of the objectives and goals defined in the plan so that all employees are aware of the current situation and the predicted situation, the one that is desired. In our view, a cultural change from this point is much more accepted than one in which you want to implement suddenly, the engagement of the entire organization is much greater. However, there are some particularities when it comes to managing cultural change and managing people in Public Administration, as the manager is bound by what the 1988 Constitution determines in its article 37. It is healthy, however, that the Norms Brazilian Accounting Companies (Private Internal Audits) as well as the Manuals of the Federal Comptroller General (Government Internal Audits) recommend that Internal Audit must be linked to senior management (preferably to the Board of Directors, if any) so that it has the necessary autonomy in carrying out their work. At this point, it is evident that, despite the legislation (within the scope of Government Audits) being a limit for an administration of public organizational change, this sector still has greater autonomy for this given its hierarchical positioning.

**Keywords**— Culture. Audit. Organization. Change. Quality.

## I. INTRODUCTION - ORGANIZATIONAL CULTURE AND SPIRITUALITY

Contrary to what we imagined in the first contact with the term, we are not talking here about God or a Theology within Organizations.

Spirituality in the work environment "only recognizes that people have an interior life, which nourishes and is nourished by meaningful work carried out in the context of a community" "is the search for meaning in work".

Why spirituality now?

In fact, in other times, organizations believed that it was necessary to eliminate emotions within their environments and spirituality is just the opposite, as it recognizes and even encourages the expression of the "inner life" that each one has.

- Characteristics of a Spiritual organization.
- ❖ This theme reinforces words that have been widely discussed in the academic environment, such as values, ethics, motivation and balance between professional and personal life.
- ❖ Although studies on spirituality in organizations are beginning, the main characteristics of this aspect are:
- ❖ Strong sense of purpose: it has purposes greater than the profits themselves; they give value to complete

customer satisfaction, for example, social responsibility, among others.

- ❖ Focus on individual development: recognize the value of the human being; seek to create cultures that stimulate learning and continuous growth.
- ❖ Trust and transparency: they are characterized by mutual trust, transparency and honesty. Administrators are instructed to admit their mistakes and to be honest with suppliers, customers and employees.
- ❖ Strengthening the worker: employees are believed to be able to make informed and sensible decisions and they are encouraged to make decisions by strengthening the worker and the teams.
- ❖ Tolerance of employee manifestations: allows and even encourages employees to express their moods and feelings.
  - Criticism of the spirituality movement.

Critics highlight two points: legitimacy - could organizations impose spiritual values? - And the reconciliation between spirituality and profitability.

Studies in organizations that have adopted this culture show that trying to make sense of work contributes a lot to the goals of organizations.

As for spirituality combined with profitability, it is clear that it is very possible for the two words to go together.

Although we recognize the importance of the topic, a point that we believe to be debatable would be absolute sincerity in all sectors of the organization.

We agree with the proposal and that its insertion in the organizational culture of companies would be extremely important, but because we are talking about large and small organizations and, mainly, people, we do not believe it is possible to measure such a possibility.

## II. MANAGEMENT AND QUALITY IMPROVEMENT PROGRAM IN GOVERNMENT INTERNAL AUDITS.

When dealing with the subject of quality management and improvement, one should take as a basic theoretical reference what predicts Normative Instruction No. 03, of the Ministry of Transparency, Inspection and Comptroller General of the Union, of June 9, 2017, which Approves the Technical Reference for the Government Internal Audit Activity of the Federal Executive Branch in conjunction with the Manual of Technical Guidelines for the Government Internal. Audit Activity of the Federal Executive Branch of the Ministry of Transparency and the Comptroller General of the Union.

The duty to institute and maintain the Quality Management and Improvement Program - PGMQ, by the Government Internal Audit Units - UAIG, arises with the need to promote a synergistic culture between the audited Units and the auditors, aiming at the delivery of products with high added value, and the entire Internal Audit unit is responsible for observing good practices, laws and manuals in force.

According to the dictates of Normative Instruction No. 03, of the Ministry of Transparency, Inspection and Controllershship-General of the Union, of June 9, 2017, when dealing with internal and external evaluation, there is in its Section III - Management and Improvement of Quality:

107. The program should provide for internal and external evaluations, aimed at assessing quality and identifying opportunities for improvement.

108. Internal assessments should include continuous monitoring of the performance of the internal audit activity and periodic self-assessments or assessments carried out by others in the organization with sufficient knowledge of government internal audit practices.

109. External evaluations should take place at least once every five years, and be conducted by a qualified and independent evaluator,

evaluation team or other UAIG, external to the UAIG structure. The assessments provided for in this item can be performed through self-assessment, if it is submitted to independent external validation. In all cases, reciprocal evaluations are prohibited.

In addition to the periodic evaluations, whether internal or external, the person responsible for the UAIG is responsible for reporting the institution's governance, whether made to the Council or the top Director, a situation that highlights the need for joint action by the UAIG and the administration. In a complementary way, it can be inferred that the results of the evaluations, both positive and negative, should be formally communicated to whom the UAIG is linked. Regarding the declaration of conformity and non-conformity with the Technical Reference, it is expressed in Normative Instruction No. 03, of the Ministry of Transparency, Inspection and Comptroller General of the Union, of June 9, 2017:

113. UAIG can only declare compliance with the precepts of this Technical Reference and with international standards that regulate the professional practice of internal auditors if the PGMQ supports this statement.

114. Cases of non-compliance with this Technical Reference that impact the general scope or operation of the internal audit activity must be communicated by the UAIG Officer to senior management, the board, if any, and the respective unit responsible for technical supervision, to establish actions aimed at remedying reported non-conformities.

In order to complement the understanding on the subject of Quality Management and Improvement, in December 2017, the Ministry of Transparency and Controllershship-General of the Union published the Manual of Technical Guidelines for the Government Internal Audit Activity of the Federal Executive Branch . Considering the peculiarities of each of the UAIGs of the Federal Government, the aforementioned Manual seeks to standardize the procedures and methods for making the PGMQ.

It is observed in the Manual of Technical Guidelines for the Governmental Internal Audit Activity of the Federal Executive Branch, when dealing with evaluations, whether external or internal, that:

The assessments should include all phases of the government's internal audit activity, namely, the planning, work execution, reporting and monitoring processes, and also:

- a) the scope of the purpose of the internal audit activity;
- b) the conformity of the works with the provisions of IN SFC n° 3, of 2017, with other regulations that define attributions for the internal audit activity, with the applicable national and international good practices and with the operating manuals or procedures established by UAIG itself ;
- c) the ethical and professional conduct of the auditors.

One of the fundamental pillars of the PGMQ is continuous monitoring, which the Manual of Technical Guidelines for the Government Internal Audit Activity of the Federal Executive Branch defines as:

3.5.1.1.1 Continuous monitoring. It constitutes a set of activities of a permanent nature, operationalized through processes, standardized professional practices, tools, perception research and management indicators. It aims to monitor the development of UAIG's activities to ensure compliance with applicable professional and conduct standards and the efficiency of processes.

The culture of synergy between UAIG and the institution's management is made clear in the Manual when establishing interactions between auditor and auditee, evidencing research methodology of broad perception and specific assessment research, as transcribed in the definition put forward by the Technical Guidance Manual of Government Internal Audit Activity of the Federal Executive Branch:

The feedback from managers and stakeholders should preferably be obtained through surveys or structured interviews in order to collect their perception regarding the relevance, quality and benefit of UAIG's activity, in the following modalities:

- a) Broad perception survey: carried out with the organization top management and interested parties, preferably annually, aimed at gathering information on the general perception of UAIG's performance and the added value promoted by the government's internal audit activity;
- b) Punctual assessment research: carried out with the managers of the audited areas, after the completion of the audit work and the disclosure of the corresponding result, with a focus on assessing the quality of the audit process, the

report (or other form of communication) produced and the professional conduct of the auditors.

Regarding the establishment of criteria and assessment instruments for the PGMQ, it is important to highlight in particular: scripts, questionnaires, checklists and indicators. The evaluations carried out by the Auditors may be made using the universe or sample of the actions carried out during the year as a parameter. After the evaluations have been made, the person responsible for the UAIG should report to senior management, either to the top manager or to the board, where applicable. The objective of the evaluation and reporting cycle is a structured process of continuous improvement, where managers and the person in charge of UAIG will be able to direct resources to areas with greater weaknesses or deficiencies.

Regarding the communication of the results of the evaluations, the Manual of Technical Guidelines for the Government Internal Audit Activity of the Federal Executive Branch, clarifies this need and defines the elements that must contemplate the interaction process between UAIG and the administration:

This communication aims to promote and reinforce the sponsorship of senior management and the board in relation to the internal audit activity. Communications should include:

- a) the scope, frequency and results of the internal and external evaluations carried out;
- b) the level of compliance of the UAIG, according to the scale adopted;
- c) the opportunities for improvement identified;
- d) the weaknesses found that could compromise the quality of the internal audit activity;
- e) corrective action plans, if applicable;
- f) the progress of actions to improve the internal audit activity;
- g) the qualification and independence of the advisory or evaluation team, when applicable.

### III. ETHICS FROM THE VIEW OF INTERNAL AUDITS

In the context of this thematic, it is up to the internal audit to break paradigms with regard to the organizational culture of companies, and in the public service, given the need to improve tools capable of turning auditors into vectors of

behavioral change. In this pitch, the professionals who work in the control need to be committed to the zeal, honesty, technical capacity, and other quality that can always guarantee the auditor's professional independence. In this sense, we present important highlights of the Code of Ethics of the National Supply Company (CONAB) public company, linked to the Ministry of Agriculture, Livestock and Supply (Map), below:

"1. The internal auditor must guide a conduct within the principles explained below, in the development of the activities that are affected.

1.1 Professional independence: The auditor must concentrate his professional activities in the exercise of the audit, including in it, the functions that, by definition of his own activity and the regulatory powers of the area, refraining from practicing or participating, in any way, in other activities incompatible with its fundamental postulates.

1.2 Independence of attitudes and decisions: Notwithstanding the employment relationship maintained with the organization in which it provides services, the auditor must obey the principles of ethics and observe the technical norms and the audit standards, as a standard of professional conduct.

In the performance of his auditing activities, he will always act with absolute independence and, under any obligation and under no circumstances, at his own or third parties' convenience, will condition his acts, attitudes, decisions or pronouncements to precepts other than the postulates of his profession .

The auditor cannot, directly or indirectly, receive earnings or rewards of any kind, from persons appointed and / or involved in his work, except for his prices and other official advantages granted by the employer.

1.3 Non-transferability of functions: The qualification of auditor is individual and non-transferable, not extending to any subordinates or assistants. In the exercise of his professional activity, the auditor will act on his own behalf, assuming full technical responsibility for the audit services provided by him and, under no circumstances, will he allow another person to do it on his behalf, unless he indicates his official appointment, when then respond to them jointly for their respective acts.

1.4 Technical efficiency: In view of the scope established for the audit service, the auditor must, before an adequate examination, judge the technical feasibility of its execution, in terms of terms, the availability of accounting and support elements and the extent and complexity of audit checks, ensuring that your work meets the conditions for satisfactory technical performance. The auditor's plan should be guided by the scope, extent and limitations of his work, in order to avoid doubts or controversies.

The auditor will not issue reports or provide information that does not result from an adequate technical and documentary examination, in accordance with the prescribed audit rules and procedures, observing:

the examination was carried out by him or under his supervision.

that the report is written in an objective manner and in such a way as to clearly express its opinion;

that, in case of lack of data or evidence, or even a situation that inhibits a safe decision, make the reservations in your report. "

Therefore, for internal auditing to survive cultural and organizational change in a globalized and competitive world, it is necessary to be implementing within the Organizations, whether they are state proven, the Audit Code of Ethics. In addition to the permanent need for professional training and diversified knowledge, such as such as: accounting, information technology, strategic planning, human relations, and legislation, among others. However, despite all the legal frameworks for professionals working in the control area, it is healthy not to distance yourself from the behavioral norms expected from auditors, especially in times of social networks, as the profession of auditor is also based on trust and commitment with governance.

#### IV. CONCLUSION

The strength and culture of an organization has a strong influence on the ethical behavior of its members. An organizational culture most likely to achieve a high ethical standard is one that administrators support for their employees to take risks and be innovative, even if restricted to the dictates of the Law and the Statute of Public Servants. Carefully evaluating not only the results of the objectives achieved, as well as the way in which they are planned and

executed, paying attention not only to what objectives were achieved, but also in their manner, thus causing the behavior of the workforce to be strong and positive.

For managers to be able to create a more ethical organizational culture, it is necessary to combine some practices in order to develop the following aspects, for example, the behavior of high-ranking employees. Employees model them, so they must be positive examples within the organization. An organizational code of ethics can be established with rules established so that all employees respect them. To disseminate this code, among other things, ethical training can be offered to members, through workshops etc. Within this context, it is up to the manager to be consistent with regard to his conduct before the organization, rewarding those who have always been publicly ethical, as well as those who violate the code must be punished in an exemplary manner. It is worth safeguarding the employee's safety within the code, so that he is not afraid of reprisals when reporting to discuss violations of the code itself by other members, so that he has the discretion to discuss a certain issue transparently and without fear of reprisals. .

In spite of this work advocating the management of change in the scope of Internal Audits in search of excellence in the provision of its services (both in the public and private sectors), the aspect of objectivity in the auditor's work is also brought up for discussion. internal. In this regard, the Manual of Technical Guidelines for the Internal Government Audit Activity of the Federal Executive Branch highlights as a situation that threatens objectivity:

Cultural, ethnic or gender bias: if internal government auditors are prejudiced against practices or customs different from their own, a particular ethnic group or a specific gender, their objectivity may be compromised when auditing an audit object managed or composed of servers / employees that fit these conditions. In this case, the auditors may unduly assume excessively critical attitudes, not consistent with reality.

In the challenges, therefore, future analyzes are proposed on how to align the cultural change of the Internal Audits in a way that does not compromise the objectivity of the Auditor's work.

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