



The Control Environment Concepts and Applications

1 day Course – 8 CPE

COURSE OVERVIEW

The control environment is the set of standards, processes, and structures that provide the basis for carrying out internal control across the organization. The board of directors and senior management establish the tone at the top regarding the importance of internal control including expected standards of conduct. Management reinforces expectations at the various levels of the organization. The control environment comprises the integrity and ethical values of the organization; the parameters enabling the board of directors to carry out its oversight responsibilities; the organizational structure and assignment of authority and responsibility; the process for attracting, developing, and retaining competent individuals; and the rigor around performance measures, incentives, and rewards to drive accountability for performance. The resulting control environment has a pervasive impact on the overall system of internal control.

Course Description

The course presents the summary, definitions, principles and points of focus of the control environment of the Internal Control Integrated Framework, 2013. The concepts and applications of the control environment are explored in detail in cumulative cases and exercises through each topic. The objective of the course is for participants to gain a detailed understanding and ability to apply the concepts, principles and points of focus of the control environment of the Internal Control Integrated Framework.

The component evaluation templates from the COSO Illustrative Tools for Assessing Effectiveness of a System of Internal Control serve as the basis for principle analysis in the cases and exercises. Participants will gain a working knowledge of how to adapt the tools for use in their daily work in their respective organizations.

Prerequisite:

This course is an applications course and requires an in-depth working knowledge of the overall Framework, its components, concepts and approaches. Only those who have attended the COSO2013 Internal Control Framework Overview Course or those who have a detailed working knowledge of the new Framework should attend this course.

Who Should Attend:

Anyone in an organization who designs, implements, applies or reviews internal control including will greatly benefit from the course and applications. These include: administrators; accountants; finance officers; managers; risk management officers; quality assurance personnel; internal auditors; and anyone providing assurance to internal control and risk management effectiveness.



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Course Agenda

9:00 - 10:15	Course Overview and Introductions: Course outline with materials and case studies are presented to engage participants in the course direction and outcomes. Participants are asked to present their information and personal/professional expectations and objectives for the course.
10:15 - 10:30	Break
10:30 - 10:45	The Summary and Definitions of the Control Environment: An overview of the attributes comprising the control environment including history, organizational type, environment, culture, ethics perspectives and related values.
10:45 - 11:15	Demonstrates Commitment to Integrity and Ethical Values: Principle 1: The organization demonstrates a commitment to integrity and ethical values. This principle and its related four points of focus are explored and applied in case work.
11:15 - 11:30	Exercises Oversight Responsibility: Principle 2: The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control. This principle and its related four points of focus are explored and applied in case work.
11:30 - 12:00	Establishes Structure, Authority, and Responsibility: Principle 3: Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives. This principle and its related three points of focus are explored and applied in case work.
12:00 - 1:00	Luncheon
1:00 - 2:15	Demonstrates Commitment to Competence: Principle 4: The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives. This principle and its related four points of focus are explored and applied in case work.
2:15 - 2:45	Enforces Accountability: Principle 5: The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives. This principle and its related five points of focus are explored and applied in case work.
2:45 - 3:00	Break
3:00 - 4:00	Summary Case Exercise: Principles and points of focus of the control environment are applied in a summary case to establish a basis for understanding the responsibilities of all levels of the organization for internal control development and implementation. The case is focused on creating the control environment to support mission, goals and objectives setting.
4:00 - 4:30	Summary, Discussion and Conclusion: The concepts and applications are reviewed to summarize the Internal Control Integrated Framework control environment. Participant objectives and challenges are addressed.
4:30 – 5:00	OPEN DISCUSSION OF MATERIAL COVERED

NOTE: Times are estimated and may be adjusted to coincide with company schedule. CPE is awarded based on NASBA standard of 50 minutes of instruction equals 1 CPE hour.