



# COSO

## Internal Control Integrated Framework Overview

CPE Credit: 16 hours Auditing

Presented by the Office of Professional Development  
Institute for Internal Controls

**Location: Dallas, Texas area hotel (Location TBA)**

**MAY 2-3, 2017**

### COSO OVERVIEW

*The COSO Internal Control Framework views all components of internal control as suitable and relevant to all entities, and therefore requires that all components be present and functioning and operating together in an integrated manner. Evaluating whether each component of internal control is present and functioning and whether the components are operating together requires consideration of how components are being applied by the entity within the system of internal control. Each of the five components operating together help to collectively reduce, to an acceptable level, the risk of not achieving an objective. When a component is deemed not to be present and functioning, or when components do not operate together, a major deficiency exists*

*Control activities are the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels of the entity, at various stages within business processes, and over the technology environment. They may be preventive or detective in nature and may encompass a range of manual and automated activities such as authorizations and approvals, verifications, reconciliations, and business performance reviews. Segregation of duties is typically built into the selection and development of control activities. Where segregation of duties is not practical, management selects and develops alternative control activities.*

### Course Description:

The course is an overview of the Internal Control Integrated Framework (Update 2013). The concepts and applications of the new Framework are explored with cases and exercises for practical understanding. The objective of the course is for participants to gain a basic understanding and solid foundation of the concepts, principles and points of focus for each of the components of the Internal Control Integrated Framework.

The course explores the complexities of the Framework from an overview perspective. A short overview of the 1992 Framework is presented in order to compare and contrast the definitions, concepts and approaches of the new Framework. Participants familiar with the prior Framework will be able to add to their knowledge and convert their perspectives to the principles based approach of the new Framework. Those with no prior exposure will be able to acquire a firm understanding of the Framework. This course serves as a prerequisite for the courses dealing with the detailed applications of each of the specific components.

### Who Should Attend?

Anyone in an organization who designs, implements, applies or reviews internal control 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.

**Program Level:** Intermediate

**Prerequisites:** Basic understanding of COSO and Internal Controls

**Advanced Preparation:** None

**Delivery Method:** Group-Live

**Instructor:** Michael Piazza, CICA, CAPP, CCSA, CPC ([see bio below](#))



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**Registration Instructions:** Course will be available for Open Enrollment to all interested parties. Complete the appropriate Registration Form available at the Professional Development and Training page of our website at [www.theiic.org](http://www.theiic.org) or call the Program Administrator at 856.982.2410 to register for all courses or email [training@theiic.org](mailto:training@theiic.org).

**Costs:** (note: All fees must be paid at time of registration; purchase orders accepted)

- Fee for IIC members and Cooperative Agreement Members - \$999
- Fee for non IIC members - \$1299
- Groups discounts available for two or more employees from the same organization
- Discounts may be available for attending multiple courses during same week session when scheduled

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**Refund/Cancellation Policy:** Requests for refunds must be received in writing at least 30 days prior to the scheduled event and will be subject to a \$100 cancellation fee. No refunds will be granted after this date; however, fees paid can be applied to a future event within one year of the original course schedule date, less the \$100 cancellation fee noted above.

**Contact Information/Complaint Resolution:** For additional information regarding refund, complaint and/or program cancellation policies, please contact the Program Administrator at 856-982-2410.



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### Course Agenda Day One

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

#### **Authoritative Pronouncements Requiring Internal Control Frameworks and Assurance:**

An overview of the Sarbanes Oxley Act from the United States and the Institute of Directors of South Africa King III Report is accomplished to establish specific references of the external forces for internal control development, implementation and assurance of effectiveness.



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- 10:45 - 11:15      **Internal Control/Management Function Defined**  
Participants are invited to state their (or their organization's) definition of internal control. Definitions from authoritative pronouncements are reviewed to establish a focus of the definition of internal control to be used as a working definition for the seminar.
- 11:15 - 11:30      **The Committee of Sponsoring Organizations (COSO) Frameworks**  
The generally accepted authoritative frameworks for internal control and enterprise risk management are the publications and related pronouncements of COSO. Both models serve as the foundation for the course and will be explored in overview to establish the relationship between governance, risk and control.
- 11:30 - 12:00      **COSO Internal Control Integrated Framework 1992 and 2013:**  
A brief review of the long standing 1992 Framework is explored. Comparison of the changes and additions to the new Framework is analyzed and explained. Emphasis is given to the change from "Factors" in the prior Framework to the "Principles" based approach of the 2013 Framework. The application of "points of focus" supporting the principles is explained.
- 12:00 - 1:00        **Luncheon**
- 1:00 - 2:45        **Components of the COSO Internal Control - Integrated Framework:**  
The five components of the COSO Internal Control Integrated Framework are reviewed: Control Environment; Risk Assessment; Control Activities; Information and Communication; Monitoring Activities. The summary, definition and principles for each component are delineated.
- 2:45 - 3:00        **Break**
- 3:00 - 4:30        **The Control Environment:**  
Factors of the Control Environment are studied to establish a basis for understanding the responsibilities of all levels of the organization for internal control development and implementation. Special emphasis is placed on governance relationships to internal control monitoring and assurance. Case introduced with initial work on mission, goals and objectives.
- 4:30 – 5:00        **OPEN DISCUSSION OF MATERIAL COVERED**

### **Course Agenda Day Two**

- 9:00 - 10:15      **Objective Setting:**  
Increased emphasis is given to the objective setting process in the new Framework. Categories of objectives are restated to be simply: operations; reporting; and compliance. Reporting objectives have been recategorized as internal reporting and external reporting with divisions in each related to financial and non-financial. All categories of objectives and the objectives setting process are thoroughly covered.



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10:15 - 10:30	<b>Break</b>
10:30 - 12:00	<b>Risk Assessment:</b> Concepts of risk assessment are covered in depth to establish the foundation for control activities and the related assurance of adequate controls. Short cases are used for the participants to formulate a series of risks associated with the objectives stated in the case. Stakeholder analysis is emphasized to elaborate on the tenants of governance responsibilities.
12:00 - 1:00	<b>Luncheon</b>
1:00 - 2:45	<b>Control Activities:</b> The crux of the internal control framework is the construction of control activities to address risks enumerated in the risk assessment. Control activity concepts will be explored in relation to responsibility and authority of control objectives and development. Case continues as participants devise controls activities to address the risks defined in the prior section.
2:45 - 3:00	<b>Break</b>
3:00 - 3:45	<b>Information &amp; Communication and Monitoring Activities:</b> The continuation of the control framework is ongoing and periodic monitoring. Management, employees and other functional organizational members exhibit ongoing monitoring. Internal audit, external audit and other specialists perform periodic monitoring of internal controls. These activities are applied in the case to determine the foundation for acceptable controls assurance.
3:45 - 4:30	<b>Summary, Discussion and Conclusion:</b> The concepts and applications are reviewed to summarize the internal control integrated framework. Participant objectives and challenges are addressed. Factors of the Control Environment are studied to establish a basis for understanding the responsibilities of all levels of the organization for internal control development and implementation. Special emphasis is placed on governance relationships to internal control monitoring and assurance. Case introduced with initial work on mission, goals and objectives
4:30 – 5:00	<b>OPEN DISCUSSION OF MATERIAL COVERED</b>



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Presented by the Office of Professional Development  
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CICA, CAPP, CCSA, CPC

Michael is the Director of Professional Development and Training for the IIC. His education includes a BBA in Accountancy, a Masters of Accountancy Degree, and an MBA Degree. The majority of Michael's career has been devoted to professional and organizational development with a focus in instruction and consulting in internal control, governance and related organizational applications. Michael has served the Institute of Internal Auditors (IIA) in various capacities for nearly four decades: Staff Instructor 1980-85; Consultant 1986-1992 and 2003-2008; Committee of Research and Education Advisors Member 2011-2013; IIA Central Mississippi Chapter Vice President then President 2004-2006.

As an instructor, Michael's specialties are many areas of internal controls including the COSO based internal control framework and applications; operational auditing; internal audit processes and supervision. In response to the Committee of Sponsoring Organizations (COSO) release of the updated Internal Control Integrated Framework of May 2013, Michael created and published a web site dedicated to the new framework: [controlsframework.com](http://controlsframework.com). The site is a comprehensive resource offering detailed information of the framework, its components, concepts and principles and contains an array of course offerings on the COSO 2013 framework.

Recently Michael has provided organizational development and control consulting to Jackson State University (Jackson, MS), Clark Atlanta University (Atlanta, GA) and Charles R. Drew University of Medicine and Science (Los Angeles, CA), working with Principal Investigators and Administrators to enhance and improve compliance controls and business processes, including serving as the chief administrator pioneering the creation and development of the Research Centers in Minority Institutions Translational Research Network (RTRN.net).

As an IIA staff member, Michael served The Institute of Internal Auditors throughout the 1980's in various roles as a Seminar Instructor, Conference Presenter and Program Manager. His manager roles included Manager of College and University Relations, Manager of Continuing Professional Development, Manager of Media Assisted Programs.

After his tenure as staff member and consultant to The IIA, Michael returned to his home state and spent the 1990's as an executive and then as a consultant to state government of Mississippi. He served in various executive capacities including State Policy Director and Director of Compensation for the Mississippi State Personnel Department, and Deputy Director for the Mississippi Arts Commission. He left staff work creating PDA and performed as a consultant to 30+ agencies in performance management and control.