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COSO Releases for Public Comment *Internal Control over External Financial Reporting: Compendium of Approaches and Examples*

ALTAMONTE SPRINGS, Fla. AND NEW YORK, NY. September 18, 2012 – The Committee of Sponsoring Organizations of the Treadway Commission ([COSO](http://www.coso.org)) – an organization providing thought leadership and guidance on internal control, enterprise risk management and fraud deterrence – has released for public comment an exposure draft of its *Internal Control over External Financial Reporting (ICEFR): Compendium of Approaches and Examples*. This *Compendium*, part of COSO’s overall project to update its *Internal Control–Integrated Framework (Framework)*, has been developed to assist users when applying the *Framework* to external financial reporting objectives.

Authored by PwC under the direction of COSO, the *Compendium* illustrates how the principles set forth in the proposed updated *Framework* can be applied in designing, implementing and conducting internal control over external financial reporting. COSO believes it is particularly relevant to those who publicly report on the effectiveness of their system of internal control over financial reporting based upon requirements set forth in the updated *Framework*. While the approaches set forth in the *Compendium* are likely to be relevant to many entities, COSO recognizes they may be applied differently depending on the entity’s circumstances.

In conjunction with the release of the *Compendium* for public comment, COSO is making available the revised version of its previously exposed updated *Framework*, which incorporates revisions arising from consideration of comments received during the comment period. More than 200 organizations and professionals provided comments on the exposure draft. COSO’s overall goal in updating the *Framework* is to ease use and application and to reflect changes in the increasingly complex business, operating and regulatory environments since 1992.

Furthermore, COSO is making available the proposed *Illustrative Tools* to assist users when assessing the effectiveness of a system of internal control based on requirements set forth in the updated *Framework*.

“The addition of the *Compendium* and *Illustrative Tools* enhances the value of the *Framework* by providing additional context to how it is applied in various settings,” said COSO Chairman Dave Landsittel. “Because COSO publications carry weight with a wide range of stakeholders, public input is critical in assuring their relevance and usefulness.”

COSO welcomes comments on its proposed *Compendium*, as well as on the post public exposure version of the updated *Framework* and *Illustrative Tools*. To access these documents, answer our survey questions, and/or submit letters please visit www.ic.coso.org.

Following the public comment period, which ends on November 20, 2012, the proposed documents will be revised as necessary. Release of the final documents is expected during the first quarter of 2013. Drafts of these proposed documents and related public comments will remain available on COSO websites at www.coso.org and www.ic.coso.org, respectively, for public viewing until the final *Framework* is issued.

For COSO's responses to frequently asked questions (FAQs), including its perspective on transition from the present *Framework* to the updated version and other important topics of interest, please visit the COSO website at www.ic.coso.org. The FAQs are periodically updated on the “About This Project” page.

Finally, COSO wishes to thank PwC and the COSO Framework Advisory Council for their very effective contributions to the overall *Framework* update efforts.

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About COSO

Originally formed in 1985 to sponsor the National Commission of Fraudulent Financial Reporting, COSO is a joint initiative of five private sector organizations and is dedicated to providing thought leadership through the development of frameworks and guidance on enterprise risk management (ERM), internal control and fraud deterrence. COSO’s supporting organizations are The Institute of Internal Auditors (IIA), the American Accounting Association (AAA), the American Institute of Certified Public Accountants (AICPA), Financial Executives International (FEI), and the Institute of Management Accountants (IMA). www.coso.org