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COSO Releases *Internal Control - Integrated Framework* for Public Comment

Authored by PwC, updated *Framework* addresses significant changes in the business environment and associated risks

ALTAMONTE SPRINGS, Fla. AND NEW YORK, NY. December 19, 2011 – The Committee of Sponsoring Organizations of the Treadway Commission ([COSO](#)) – an organization providing thought leadership and guidance on internal control, enterprise risk management, and fraud deterrence – [has released, for public comment, an updated *Internal Control – Integrated Framework \(Framework\)*](#) intended to help organizations improve performance with greater agility, confidence and clarity.

COSO originally engaged [PwC](#) to develop a framework for internal control in response to a recommendation from the Treadway Commission. Building on the success of the original framework, COSO has worked with PwC to update it for organizations: to adapt to increasing complexity and pace of change; to mitigate risks to the achievement of objectives; and to provide reliable information to support sound decision making.

A broad range of professionals from industry as well as representatives and observers from academia, government agencies, and nonprofit organizations have provided a wealth of perspective on how the original *Framework* can be refreshed. The *Framework* retains the core definition of internal control and the five components of a system of internal control. One of the most significant enhancements is the codification of internal control concepts introduced in the original framework into 17 principles and supporting attributes that further support organizations as they apply judgment in managing risk and improving performance in an increasingly complex and rapidly changing environment.

Following the comment period, which ends March 31, 2012, the *Framework* will be revised as necessary. Release of the final *Framework* is expected in fall of 2012.

“Issued in 1992, the COSO *Internal Control-Integrated Framework* has become the most widely used internal control framework in the world,” said David L. Landsittel, Chairman of COSO. “The key concepts proposed in our original framework are timeless, yet the changes we have seen in the business and operating environments have driven the need for this update. The update should allow organizations to more effectively utilize the framework to develop and maintain systems of internal control in support of their long-term success.”

Miles Everson, Global Leader of Governance, Risk and Compliance with PwC and Project Leader noted, “We are spearheading this update to enable organizations of all types and

sizes to efficiently develop systems of internal control that further enhance the likelihood of achieving their objectives.”

“Effective internal control allows organizations to adapt to a changing business landscape, and obtain confidence that controls mitigate risks to acceptable levels,” added Landsittel. “This is key for the long-term success of any organization.”

To access the complete *Internal Control-Integrated Framework*, please visit www.ic.coso.org.

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

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