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COSO Issues Updated *Internal Control-Integrated Framework* and Related Illustrative Documents

ALTAMONTE SPRINGS, Fla., May 14, 2013 – 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 – issued today its updated *Internal Control-Integrated Framework (Framework)* and related illustrative documents. COSO’s original Framework published in 1992 is recognized as the leading guidance for designing, implementing and conducting internal control and assessing its effectiveness.

Authored by PwC under the direction of the COSO Board, the updated *Framework* is expected to help organizations design and implement internal control in light of many changes in business and operating environments since the issuance of the original Framework, broaden the application of internal control in addressing operations and reporting objectives, and clarify the requirements for determining what constitutes effective internal control.

COSO also issued, today, the *Illustrative Tools for Assessing Effectiveness of a System of Internal Control* and the *Internal Control over External Financial Reporting (ICEFR): A Compendium of Approaches and Examples*. The *Illustrative Tools* are expected to assist users when assessing whether a system of internal control meets the requirements set forth in the updated *Framework*. The *ICEFR Compendium* is particularly relevant to those who prepare financial statements for external purposes based upon requirements set forth in the updated *Framework*.

“COSO and PwC are very appreciative of the extensive and thoughtful input received from stakeholders through participation in an initial survey of potential updates, the public exposures of draft documents during 2011 and 2012, and other forums during the 2 ½ year development process,” said David Landsittel, Chairman of COSO. “While our original Framework remains fundamentally sound and broadly accepted in the market place, we are confident that the 2013 *Framework* will bring added benefits to users.”

COSO believes that users should transition their applications and related documentation to the updated *Framework* as soon as is feasible under their particular circumstances. As previously announced, COSO will continue to make available its original Framework during the transition period extending to December 15, 2014, after which time COSO will consider it as superseded by the 2013 *Framework*.

The COSO Board believes that the continued use of the original Framework during the transition period (May 14, 2013 to December 15, 2014) is appropriate. During this period, the COSO Board believes that organizations reporting externally should clearly disclose whether the original Framework or the 2013 *Framework* was utilized. COSO will also continue to make available its publication, *Internal Control over Financial Reporting—Guidance for Smaller Public Companies* until December 15, 2014, after which time it will no longer be available.

COSO publications are available for purchase at www.coso.org. The *Framework*, *Illustrative Tools*, and *ICEFR Compendium* are available for purchase in both hard copy and electronic formats. An *Executive Summary* can be downloaded by the public free of charge from www.coso.org. In addition, the public exposure drafts of these publications, the related public comment letters, and other background information about the project will remain available on COSO's website through December 31, 2013.

Finally, COSO wishes to thank PwC for its outstanding contributions in developing the updated *Framework* and related illustrative documents, and the Advisory Council for its very thoughtful insights. PwC's consideration of input provided by many stakeholders was instrumental in preserving, clarifying and strengthening, as appropriate, COSO's original Framework.

About COSO

Originally formed in 1985, 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 sponsoring organizations are the American Accounting Association (AAA), the American Institute of Certified Public Accountants (AICPA), Financial Executives International (FEI), The Institute of Internal Auditors (IIA), and the Institute of Management Accountants (IMA). www.coso.org.

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