



For Immediate Release

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COSO Issues Article Discussing Transition to the 2013 *Internal Control Integrated -Framework* for Sarbanes-Oxley Section 404 Compliance

ALTAMONTE SPRINGS, Fla., June 6, 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 – today issued an [article](#) aimed at assisting public companies comply with Section 404 of the U.S. Sarbanes-Oxley Act of 2002. The article outlines an example of one approach to transitioning to COSO’s [2013 *Internal Control–Integrated Framework* \(Framework\)](#) from the original framework published in 1992.

“We’re very pleased to issue this very timely article that outlines a logical approach to transitioning to the 2013 *Internal Control – Integrated Framework*. It’s a practical ‘call to action’ for publicly traded companies that comply with Section 404 of Sarbanes-Oxley,” said [COSO Chair Bob Hirth](#), who began serving his three-year COSO chairman term on June 1.

Under the direction of the COSO Board and authored by J. Stephen McNally, CPA, a finance director and controller for Campbell Soup Company, the article discusses a five-step SOX 404 transition process including: (1) review and understanding of the recently released updated *Framework* publications and the changes as contrasted with the original framework, (2) conducting a preliminary impact assessment, (3) facilitating broad awareness, training and a more comprehensive assessment, (4) developing and executing a COSO transition plan and (5) driving continuous improvement.

“In the spirit of continuous improvement, you should periodically re-assess your company’s system of internal control over external financial reporting to identify opportunities to improve its efficiency and effectiveness,” said McNally. “Leveraging COSO’s 2013 *Framework* is an effective way to do so.”

Along with the updated *Framework* issued on May 14, COSO also issued 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 *ICEFR Compendium* is particularly relevant to those who are required to report under Section 404.

A member of the COSO Advisory Council, McNally contributed thoughts and insight into the revised *Framework* over the past two years. His article will also appear in the June issue of *Strategic Finance* magazine, which is published by the Institute of Management Accountants, a COSO sponsoring organization.

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 edition. During the transition period (May 14, 2013 to December 15, 2014) the COSO Board believes that organizations reporting externally should clearly disclose whether the original *Framework* or the updated *Framework* was utilized.

The COSO article and 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.

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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