

Larry Hubbard & Associates

COSO Internal Control and ERM

Course Outline

Course Description

This course provides understanding and practice in identifying internal controls using a framework. The course utilizes as a reference COSO's *Internal Control - Integrated Framework* and introduces the COSO *Enterprise Risk Management – Integrated Framework*. Both the theory and practical aspects of using the COSO frameworks are covered. Evaluations of "soft" controls such as ethics, integrity, and management philosophy are given particular attention.

Objectives

- Learn how the COSO (Committee of Sponsoring Organizations) frameworks define internal control and enterprise risk management (ERM).
- Learn to use COSO-based evaluation tools.
- Roundtable discussion on current issues, challenges, and emerging practices in internal auditing.

Intended Audience

All auditing and enterprise risk management staff, supervisors and managers seeking first-hand experience and practical guidance in selecting and implementing the COSO frameworks.

Additional Reference Material

Both volumes of the July, 1994 *Internal Control – Integrated Framework* edition are required for each participant during the course.

Course Leader

Larry Hubbard is a professional trainer and consultant with a broad background in accounting, auditing, and finance. Prior to founding Larry Hubbard & Associates, Larry's work experience included Mobil Corporation and Ernst & Young. More information is at: www.LHubbard.com.

General Course Outline

COSO Overview

- The COSO reports – Internal Control and Enterprise Risk Management
- ERM vs. IC vs. Risk Assessment
- Evaluating and auditing controls over financial reporting
- The challenges COSO presents to the internal audit profession

Central COSO Principles

- Hard and soft controls
- Entity-wide Evaluation
- Activity-level Evaluation

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Internal Environment

- Internal environment factors
- Evaluating the environment

Risk Identification and Assessment

- Setting objectives
- Risk identification and assessment factors
- Risk Responses - Prevent, detect, accept
- Process-based controls
- The role of internal audit in determining risk responses

Control Activities

- The real definition of Control Activities
- Information technology controls
- Other self-assessment efforts in the organization

Monitoring and Oversight

- A closer look at information and communications
- Monitoring factors
- The role of governance

Implementing COSO

- COSO Implementation
- Audit reports using COSO
- Application to your own department: new practices, potential barriers, critical success factors

Administration:

No advance preparation or prerequisites are necessary for this course but a basic knowledge of internal auditing techniques will be useful. The minimum concepts are in Chapters 1, 2, 3 and 22 in *Sawyer's Internal Auditing 5th Edition*. The program level is basic. The delivery method is Group-Live and 15 CPE hours in the Auditing field of study are available.

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