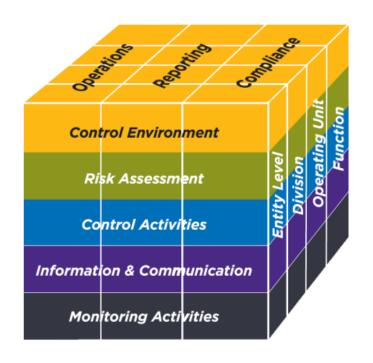


INTERNAL CONTROLS



Cynthia Santiago Compliance and Audit April 2019

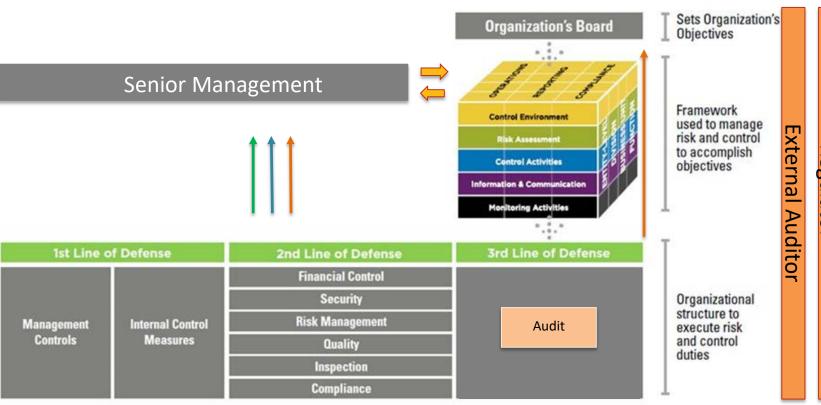


Compliance and Audit Process

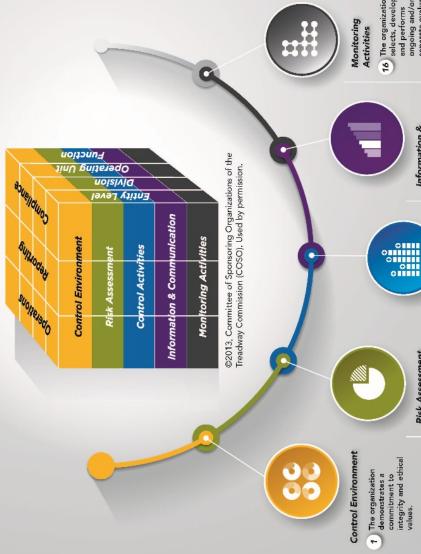


Internal Control Framework

Source: COSO



Integrated Framework Principles COSO Internal Control



- commitment to integrity and ethical values.
- management and exercises oversight of the development and performance of internal The board of directors demonstrates independence from 7
- oversight, structures, reporting lines, and appropriate authorities and responsibilities Management establishes, with board objectives 6
- The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives. 4
- The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives. 2

Risk Assessment

The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objective 9

Control Activities

- The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed. ~
- The organization considers the potential for fraud in assessing risks to the achievement of objectives. 00
- The organization identifies and assesses changes that could significantly affect the system of internal control. 6

12 The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

Information & Communication

database of generates and uses re levant, quality information to support the functioning of internal control.

10 The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of

14 The organization internally communicates information, including objectives and responsibilities for necessary to support the functioning of internal control. nternal control,

The organization selects and develops general control

Ξ

technology to support the achievement of

objectives.

activities over

objectives to acceptable levels.

The organization communicates with external parties regarding matters affecting the functioning of internal control.

appropriate.

- The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.
- The organization evaluates and communicates control deficiencies in a timely manner to those parties responsible for taking corrective section, including section, and the board of directors, as 1

