



YOUR CHALLENGES

The 17 new principles of COSO 2013 and their points of focus have a direct impact on non-financial reporting, which implies that multiple and varied stakeholders are affected by any COSO 2013 transition project.

The transition inevitably requires a review of all existing documentation (policies and procedures) to ensure full coverage of COSO 2013 components and principles.

However, the implementation of this latest version of the COSO Framework offers the opportunity to assess the appropriateness of controls and rationalize control frameworks to bring down the cost of control while strengthening risk management and alignment with the organization business model.

“ *47% of organizations have one single framework for Internal Control, Risk Management and Internal Audit.* ”

Source: Mastering Risk Awards 2013 CROWE – IFACI (French Chapter of IIA)

Questions for Business Leaders

- Do operations rapidly integrate business and regulatory changes?
- How are ethics & business conduct principles managed within the organization?
- To what extent does reporting integrate non financial elements?



INSIGHTS

The COSO (Committee of Sponsoring Organizations of the Treadway Commission) Board has published the 2013 COSO Framework which supplanted the 1992 version, effective on December the 15th 2014. Many organizations have gone beyond the simple adoption of COSO 2013 guidelines by:

- Improving Internal Control awareness and engagement across the organization by reinforcing internal control networks equipped with effective tool for deployment,
- Demonstrating concrete and operational implementation of the COSO 2013 components and principles,
- Seizing the opportunity this transition offers to rationalize and optimize the current control framework and focus on efficiency,
- Improving the level of internal assurance through a framework encompassing Fraud Risk Management, IT General Controls and Third Party Risks.

About Crowe Risk Consulting

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1,000
risk consultants
globally with one single
management team

Part of the Crowe
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29,000
professionals globally

Top 7
Global Risk
Consulting firm
– Gartner 2014

Advisory
Firm of the year
– International Accounting Bulletin
(IAB) 2013



WHAT WE BELIEVE

Transitioning to the COSO 2013 Framework requires the involvement of various actors across the organization: executive management, “2nd line of defense” experts, and of course the “1st line of defense”: business operations. It also requires an alignment with the Internal Audit and external auditors assessments.

We believe that substantial efforts need to be made by the organization to leverage COSO’s points of focus in order to illustrate how the framework can be applied operationally on a daily basis.



Crowe approach to Coso 2013 transition

COSO 2013 new principles

Component 1: Control Environment

- Demonstrates commitment to integrity and ethical values
- Exercises oversight responsibility
- Establishes structure, authority and responsibility
- Demonstrates commitment to competence
- Enforces accountability

Component 2: Risk Assessment

- Specifies suitable objectives
- Identifies and analyzes risk
- Assesses fraud risk
- Identifies and analyzes significant change

Component 3: Control Activities

- Selects and develops control activities
- Selects and develops general controls over technology
- Deploys through policies and procedures

Component 4: Information & Communication

- Uses relevant information
- Communicates internally
- Communicates externally

Component 5: Monitoring Activities

- Conducts ongoing and/or separate evaluations
- Evaluates and communicates deficiencies



HOW YOU BENEFIT

We help global organizations with their transition to the new framework by:

Assessing COSO 2013 changes

- COSO 2013 impact assessments
- COSO 2013 control mapping

Assessing COSO 2013 maturity

- Maturity assessment of current processes and documentation related to the 17 new principles and integration of external auditors feedback
- COSO 2013 maturity overview
- Gap criticality demonstration to Top Management

Developing a COSO 2013 roadmap

- Remedial actions organization and follow-up
- Assessment of remedial actions operational effectiveness

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