



Internal Control

Commission of Sponsoring Organization of The Treadway Committee

American Institute of Certified
Public Accountants(AICPA)

International Institute of
Internal Auditors (IIA)

Institute of Financial
Management(FEI)

American Association of
Certified Public Accountants
(AAA)

Institute of Accountants for
Management (IMA)

COSO Internal Control

The process is made possible by the Board of Directors. It is designed to provide reasonable confidence in the achievement of the objectives (COSO,1992)

1.

Effectiveness and efficiency of operations

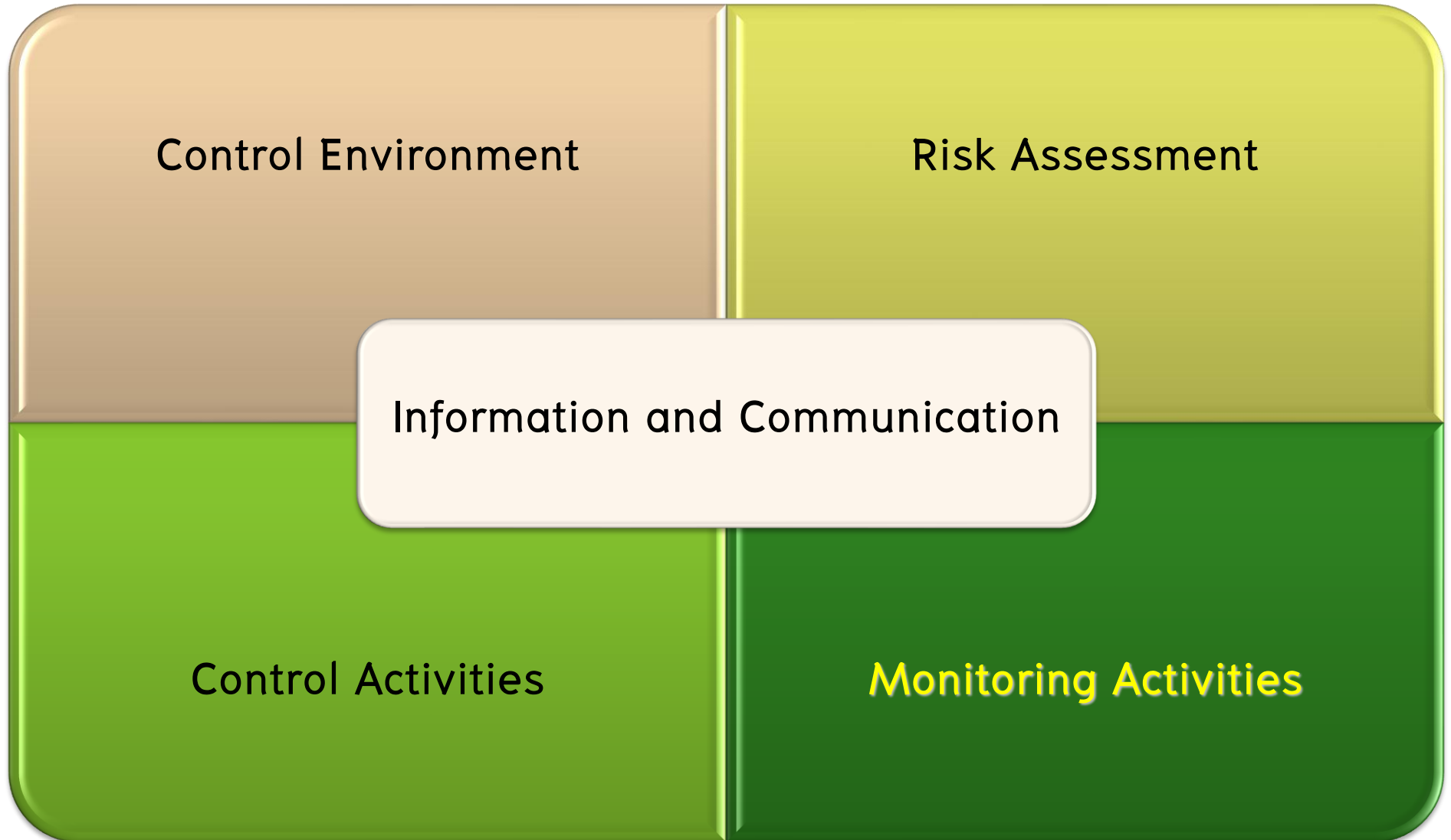
2.

Reliability of financial reports

3.

Compliance with laws and regulations

Elements of internal control (COSO)



1. Control Environment

Factors and conditions that affect the attitude and awareness of the need and importance of internal control of personnel in the organization



Control by Consciousness Generation and Abstract Qualities



Control by Structure, Policies and Procedures

2. Risk Assessment



Chance of mistakes and damage. Leaks, waste, or adverse events that prevent the work from achieving its intended objectives and goals



The process used to identify and analyze risks that affect the achievement of the organization's objectives, as well as to determine the guidelines needed to control risks or manage risks that will arise

3. Control Activities

Policies and measures adopted by the management to ensure that the directives set by the management to reduce or control risks are responded to and complied with in order to achieve the objectives of the organization.

4. Information and Communication

Good information characteristics



Language and Format Appropriateness



Modernity



Ease of Access



Accuracy and timeliness

5. Monitoring Activities

The process of evaluating the quality of operations and evaluating the effectiveness of internal controls is put in place continuously and consistently

Follow-up
During the operation

Follow-up
At the end of the operation on
a case-by-case basis.

COSO-2013



Source : COSO Cube, The 2013 COSO Framework & SOX Compliance, www.coso.org

COSO-2017

Performance Management:

COSO Business Management Model



Source: COSO (2017). *Enterprise Risk Management—Integrating with Strategy and Performance*. U.S.A.: COSO.

NOTE: COSO = The Committee of Sponsoring Organizations of the Treadway Commission

Source : Prof. Dr. Anya Khanthavit.(2018). Value Creation and Enhancement for Listed Companies with the New COSO 2017 ERM

The importance of the internal control system

To creates a good governance process and transparency in operations.

To contributes to the efficiency and effectiveness of operations.

To obtain accurate and close information to the actual conditions

To creating the most efficient use of resources within the organization.

The End