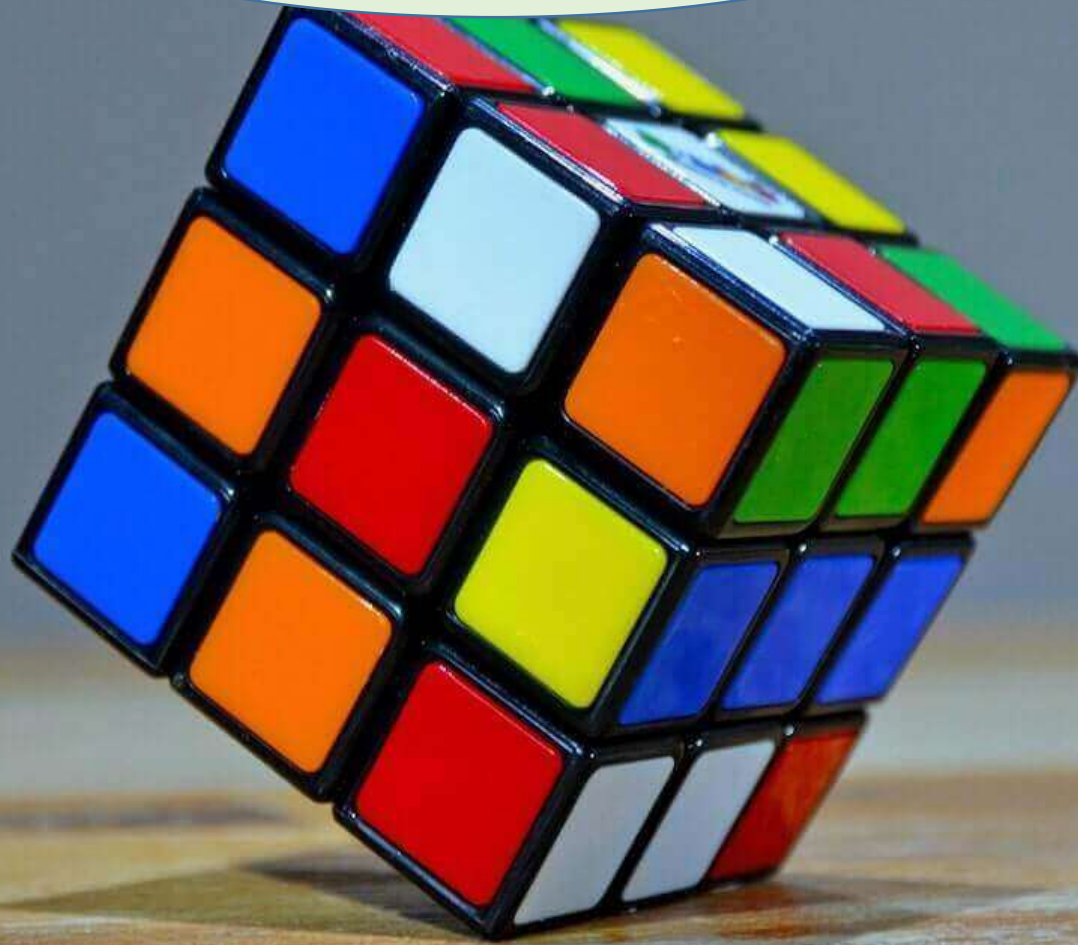


The cube



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COSO

The COSO report was published by the Committee of Sponsoring Organizations of the Treadway Commission



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COSO objectives

- ✓ Define internal control and its components;
- ✓ Assess the quality of internal control;
- ✓ Create internal control benchmarks; and
- ✓ Create a basis for the external reporting on the adequacy of the internal controls.



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The ERM Framework

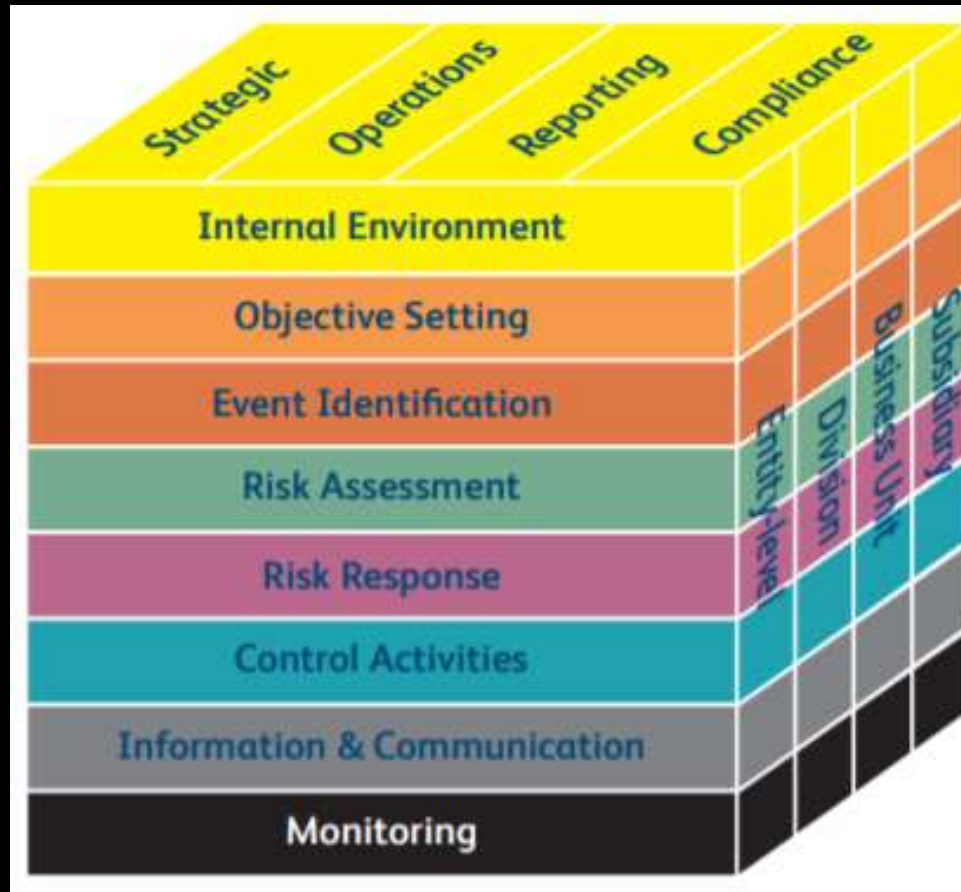
Because of its roots in compliance, audit, and financial reporting, the COSO ERM framework is the go-to standard for financial firms like credit unions, banks, and similar organizations.

There was an upgrade in 2017.



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The Cube - 2004



Credit: the internet



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The new ERM framework (2017)

- ✓ Governance and culture;
- ✓ Strategy and objective setting
- ✓ Performance
- ✓ Review and decision
- ✓ Information, communication and reporting



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The new ERM framework (2017)



Governance & Culture

1. Exercises Board Risk Oversight
2. Establishes Operating Structures
3. Defines Desired Culture
4. Demonstrates Commitment to Core Values
5. Attracts, Develops, and Retains Capable Individuals



Strategy & Objective-Setting

6. Analyzes Business Context
7. Defines Risk Appetite
8. Evaluates Alternative Strategies
9. Formulates Business Objectives



Performance

10. Identifies Risk
11. Assesses Severity of Risk
12. Prioritizes Risks
13. Implements Risk Responses
14. Develops Portfolio View



Review & Revision

15. Assesses Substantial Change
16. Reviews Risk and Performance
17. Pursues improvement in Enterprise Risk Management



Information, Communication, & Reporting

18. Leverages Information and Technology
19. Communicates Risk Information
20. Reports on Risk, Culture, and Performance

Where do I read more?

From the source of truth:

<https://www.coso.org/SitePages/Guidance-on-Enterprise-Risk-Management.aspx?web=1>

Thank you!

If you found this useful, feel free to
connect with me to explore more on
auditing topics.



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