Comparison: Internal Control – Integrated Framework and Standards for Internal Control in the Federal Government

COSO: Internal Control - Integrated Framework	GAO: Standards for Internal Control in the Federal Government
CONTROL ENVIRONMENT	
1. The organization demonstrates a commitment to integrity and ethical values • Sets the tone at the top • Establishes standards of conduct • Evaluates adherence to standards of conduct • Addresses deviations in a timely manner	1. The oversight body and management should demonstrate a commitment to integrity and ethical values • Tone at the top • Standards of conduct • Adherence to standards of conduct
2. The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control • Establishes oversight responsibilities • Applies relevant expertise • Operates independently • Provides oversight for the system of internal control	2. The oversight body should oversee the entity's internal control system • Oversight structure • Oversight for the internal control system • Input for remediation of deficiencies
3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives • Considers all structures of the entity • Establishes reporting lines • Defines, assigns, and limits authorities and responsibilities at various levels of the organization	3. Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives • Organizational structure • Assignment of responsibility and delegation of authority • Document of the internal control system
4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives • Establishes policies and practices • Evaluates competence and addresses shortcomings • Attracts, develops, and retains individuals • Plans and prepares for succession	4. Management should demonstrate a commitment to attract, develop, and retain competent individuals • Expectations of competence • Recruitment, development, and retention individuals • Succession and contingency plans and preparation
5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives • Enforces accountability through structures • Establishes performance measures, incentives, and rewards • Evaluates performance measures, incentives, and rewards for ongoing relevance • Considers excessive pressures • Evaluates performance and rewards or disciplines individuals	5. Management should evaluate performance and hold individuals accountable for their internal control responsibilities • Enforcement of accountability • Consideration of excessive pressures

COSO: Internal Control - Integrated Framework	GAO: Standards for Internal Control in the Federal Government
RISK ASSESSMENT	
6. The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives **Operations objectives:** • Reflects management's choices • Considers tolerances for risk • Includes operations and financial performance goals • Forms a basis for committing of resources **External financial reporting objectives:** • Complies with applicable accounting standards • Considers materiality • Reflects entity activities **External non-financial reporting objectives:** • Complies with externally established standards and frameworks • Considers the required level of precision • Reflects entity activities **Internal reporting objectives:** • Reflects management's choices • Considers the required level of precision • Reflects entity activities **Compliance objectives:** • Reflects external laws and regulations • Considers tolerances for risk	6. Management should define objectives and risk tolerances • Definitions of objectives • Definitions of risk tolerances
7. 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 • Includes entity, subsidiary, division, operating unit, and functional levels • Analyzes internal and external factors • Involves appropriate levels of management • Estimates significance of risks identified • Determines how to respond to risks	7. Management should identify, analyze, and respond to risks related to achieving the defined objectives • Identification of risks • Analysis of risks • Response to risks

COSO: Internal Control - Integrated Framework	GAO: Standards for Internal Control in the Federal Government
8. The organization considers the potential for fraud in assessing risks to the achievement of objectives - Considers various types of fraud - Assesses incentive and pressures - Assesses opportunities - Assesses attitudes and rationalizations	8. Management should consider the potential for fraud when identifying, analyzing, and responding to risks - Types of fraud - Fraud risk factors - Response to fraud risks
9. The organization identifies and assesses changes that could significantly impact the system of internal control - Assesses changes in the external environment - Assesses changes in the business model - Assesses changes in leadership	9. Management should identify, analyze, and respond to significant changes that could impact the internal control system - Identification of change - Analysis of and response to change
CONTROL ACTIVITIES	
10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels - Integrates with risk assessment - Considers entity-specific factors - Determines relevant business processes - Evaluates a mix of control activity types	10. Management should design control activities to achieve objectives and respond to risks - Respond to objectives and risks - Design of appropriate types of control activities - Design of control activities at various levels - Segregation of duties
11. The organization selects and develops general control activities over technology to support the achievement of objectives - Determines dependency between the use of technology in business processes and technology general controls - Establishes relevant technology infrastructure control activities - Establishes relevant security management process control activities - Establishes relevant technology acquisition, development, and maintenance process control activities	11. Management should design the entity's information system and related control activities to achieve objectives and respond to risks - Design of the entity's information system - Design of appropriate types of control activities - Design of the information technology infrastructure - Design of security management - Design of information technology acquisition, development, and maintenance
12. The organization deploys control activities through policies that establish what is expected and procedures that put policies into action - Establishes policies and procedures to support deployment of management's directives - Establishes responsibility and accountability for executing policies and procedures - Performs in a timely manner - Takes corrective action - Performs using competent personnel - Reassesses policies and procedures	12. Management should implement control activities through policies - Documentation of responsibilities through policies - Periodic review of control activities

COSO: Internal Control - Integrated Framework	GAO: Standards for Internal Control in the Federal Government
INFORMATION & COMMUNICATION	
13. The organization obtains or generates and uses relevant, quality information to support the functioning of internal control • Identifies information requirements • Captures internal and external sources of data • Processes relevant data into information • Maintains quality throughout processing • Considers costs and benefits	13. Management should use quality information to achieve the entity's objective • Identification of information requirements • Relevant data from reliable sources • Data processed into quality information
14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control • Communicates internal control information • Communicates with the board of directors • Provides separate communication lines • Selects relevant method of communication	14. Management should internally communicate the necessary quality information to achieve the entity's objectives • Communication throughout the entity • Appropriate methods of communication
15. The organization communicates with external parties regarding matters affecting the function of internal control • Communicates to external parties • Enables inbound communications • Communicates with the board of directors • Provides separate communication lines • Selects relevant method of communication	15. Management should externally communicate the necessary quality information to achieve the entity's objecties • Communication with external parties • Appropriate methods of communication
MONITORING ACTIVITIES	
16. The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning • Considers a mix of ongoing and separate evaluations • Considers rate of change • Establishes baseline understanding • Uses knowledgeable personnel • Integrates with business processes • Adjusts scope and frequency • Objectively evaluates	16. Management should establish monitoring and operate activities to monitor the internal control system and evaluate the results • Establishment of a baseline • Internal control system monitoring • Evaluation of results

COSO: Internal Control - Integrated Framework	GAO: Standards for Internal Control in the Federal Government
17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate • Assesses results • Communicates deficiencies • Monitors corrective action	17. Management should remediate identified internal control deficiencies on a timely basis • Reporting of issues • Evaluation of issues • Corrective actions