

# Internal control systems monitoring assessment

Governance, risk and compliance

**Effective monitoring of internal control systems can help reduce compliance costs and enhance mitigation of meaningful risks.**

**Is your control monitoring environment conducive to internal control efficiency and effectiveness?**

Many organizations have an effective internal control system in place, but are not fully leveraging the monitoring component of their control environment. The Committee of Sponsoring Organizations of the Treadway Commission (COSO) recognized this fact when they witnessed the efforts of companies trying to comply with internal control assertion requirements.

As a result, COSO developed its *Guidance on Monitoring Internal Control Systems* and selected Grant Thornton to lead the project team.

**COSO's monitoring guidance has two objectives:**

**1 Help organizations improve the effectiveness and efficiency of their internal control systems.**

The COSO guidance can help organizations recognize and maximize effective monitoring and improve it in areas where necessary.

**2 Provide practical guidance on how monitoring can be incorporated into an organization's internal control processes.**

The guidance specifically shows how organizations can apply the general concepts of monitoring in areas of meaningful risk and provides a variety of proven examples of effective monitoring techniques.



### **The challenge: Recognize and take credit for your monitoring efforts**

COSO observed that some organizations had effective monitoring processes, but were under-utilizing monitoring to support their conclusions about the effectiveness of their internal control environment.

Consequently, organizations often perform separate, redundant and unnecessary evaluation procedures that tend to increase efforts and costs without reducing risk.

### **Grant Thornton can help**

As the project leaders and the primary contributors to COSO's guidance, Grant Thornton internal control specialists are best qualified to assess your current monitoring processes and recommend improvements that will increase effectiveness and decrease your costs.

We can help you

- identify opportunities to reduce recurring compliance costs,
- enhance your risk assessment activities to improve the focus of your monitoring controls,
- strengthen the internal control system to increase reliability of financial statements,
- comply with laws and regulations, and apply COSO's monitoring guidance.

Grant Thornton partner-led service teams take a highly strategic yet practical approach to solving your business needs. As experienced thought leaders with appointments on industry-governing bodies, our professionals are the architects behind the methodologies that are changing the industry.

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