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"Things Get Really Interesting when Internal Control Goes Wrong."

Summary (Pending Final Presentation)

This presentation will briefly outline what COSO is and how it came to be, what it has done recently, and what is on the agenda moving forward. Then I will talk about the starting point of effective internal control—the Control Environment, sometimes referred to as “tone at the top.” I will outline the essential elements of an effective control environment and why these elements are crucially important for business owners and managers, auditors, and investors. Finally, I will share some real examples from the business world to vividly illustrate what can happen when the control environment/tone-at-the-top are neglected by business managers and auditors.

I have been involved with COSO for most of the past 20 years, first as a member of the Enterprise Risk Management task force starting in 1999, with the framework being released in 2004, after which I was on the Guidance for Smaller Public Companies task force. After a hiatus during which I served as a member of the AICPA Auditing Standards Board, I joined the COSO Board, and have been on the Board for about seven years. I was involved in the 2013 refresh of the original 1992 COSO *Internal Control: Integrated Framework* as well as the recent release of the new COSO Enterprise Risk Management Framework.