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**October 2014 COGR Meeting Presentation Thursday Morning - Mary Lee Brown and
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Uniform Guidance –
The what, the how, and where
internal controls
fit in

COGR
Discussion Session
Thursday Oct 23, 2014

Discussion Leaders

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Objectives

- Discuss, broadly, the impact of the new requirements on internal controls
- Provide examples of internal control considerations for select areas of change due to Uniform Guidance (UG)

Impact on internal controls

We got what we wanted...

UG – Definitions

Internal controls

UG – Definitions

Internal controls over compliance requirements for Federal Awards

UG – Subpart D-Post Award Internal controls

COSO Framework & Green Book

Where are we headed?

COSO Internal Control-Integrated Framework, internal control is broadly defined as a **process**, effected by an entity's board of directors, management, and other personnel, designed to provide **reasonable assurance** regarding the achievement of objectives relating to **operations, reporting, and compliance**.

- **Control Environment** -- sets the tone for the organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control.
- **Risk Assessment** -- the identification and analysis of relevant risks to the achievement of objectives, forming a basis for how the risks should be managed
- **Information and Communication** -- systems or processes that support the identification, capture, and exchange of information in a form and time frame that enable people to carry out their responsibilities
- **Control Activities** -- the policies and procedures that help ensure management directives are carried out.
- **Monitoring** -- processes used to assess the quality of internal control performance over time.

The COSO definition relates to the **aggregate control system of the organization**, which is composed of **many individual control procedures**.

Resources

COSO Executive Summary

http://www.coso.org/documents/990025P_Executive_Summary_final_may20_e

GAO Green Book Overview

<http://www.gao.gov/greenbook/overview>

Areas of significant change



Internal controls (just talked about!)



Procurement



Performance reporting



Subrecipient monitoring



Effort reporting

Procurement

Performance reporting

Subrecipient monitoring

Effort reporting

Why does this matter?

Resources

Institutional change

**Policies and
procedures**

Gaps and exposure

**Management and
board approval**

**Communication and
training**

Audit criteria

Internal controls

Documentation

Internal audit's role

- This year



- Next year



Questions and comments?