

August 11, 2008

COSO - The Committee of Sponsoring Organizations of the Treadway Commission

Response e-mailed to COSOMonitoring@gt.com

RE: Guidance on Monitoring Internal Control Systems

Dear Sir/Madam:

The Institute of Internal Auditors (IIA) welcomes the opportunity to provide additional contributions to COSO's *Guidance on Monitoring Internal Control Systems*. We commend COSO for continuing to develop guidance to improve the understanding of monitoring. We agree that the proper implementation of monitoring can assist greatly in organizations achieving the dual objectives of improving internal control while reducing costs associated with assurance that internal control operates effectively.

The IIA believes that the document does an excellent job of emphasizing a model of monitoring that includes establishing a foundation, design and execution, assessing and reporting results, and scaling the monitoring processes to fit the size and complexity of the organization. We also agree that monitoring should be based on a fundamental analysis of risks and an understanding of how controls may or may not manage and mitigate those risks.

We recommend stating up front the benefits that can be derived from the use of monitoring and positive examples of why monitoring should be used in the areas of operations and compliance. We agree that the monitoring process includes compiling and reporting results and also think adding emphasis and information regarding evaluating the results would also be beneficial. Finally, as noted in our October 31 response, we are concerned that the length of the document may deter primary users from reading and digesting the guidance.

The IIA welcomes the opportunity to discuss any and all of these recommendations with you, as well as involvement in future drafting. If I can be of further assistance, please contact me.

Best Regards,



David A. Richards, CIA

#### **About The Institute of Internal Auditors**

The IIA is the global voice, acknowledged leader, principal educator and recognized authority of the internal audit profession and maintains the *International Standards for the Professional Practice of Internal Auditing (Standards)*. These principles-based standards are recognized globally and are available in 25 languages. The IIA represents more than 140,000 members across the globe, and has 247 affiliates in 92 countries that serve members at the local level.