

## How Can Internal Control Systems Help An Organization, And In What Ways?

Simply stated, internal controls can help an organization achieve desired goals, operate effectively and efficiently, minimize its risk of undesirable events or experiences, comply with relevant requirements, and assist in financial reporting to internal and external stakeholders.

Internal controls that are properly designed, and operating effectively, can assist in several key objectives which are areas of interest to all organizations, regardless of size. Consider the following:

- Operational Objectives – These pertain to effectiveness and efficiency of the entity’s operation, including operational and financial performance goals, and safeguarding assets against loss.
- Reporting Objectives – These pertain to internal and external financial and non-financial reporting (e.g. reliability, timeliness, transparency), adherence to regulatory requirements meeting industry recognized standards and also the entity’s policies and procedures
- Compliance Objectives – These pertain to adherence to laws and regulations to which the entity is subject.<sup>1</sup>

A comprehensive Executive Summary of Internal Controls is available courtesy of COSO:

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<https://www.coso.org/Documents/990025P-Executive-Summary-final-may20.pdf>

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<sup>1</sup> <https://www.gao.gov/assets/670/665714.txt>