



Town of Addison
 COSO Framework Model
 December 4, 2014 - Working Document

Committee of Sponsoring Organizations (COSO) Framework

Control Environment	Risk Assessment	Control Activities	Information and Communication	Monitoring
Sets the tone of an organization and serves as a foundation for all other components	Identifies and analyzes risks to achieving objectives. Determines how risk should be managed.	Encompass policies and practices along with process-level procedures that ensure management's directives are carried out.	Captures and exchanges relevant information to use as a basis for decision making. Also, effectively communicates roles and responsibilities for maintaining internal controls.	The ongoing assessment of internal control quality to assure controls are operating as intended.

Addison Strategy and Timeframe

<u>Governance Oversight</u>	<u>Understanding Our Risk</u>	<u>Know What We Are Doing</u>	<u>Communicating to the Organization</u>	<u>How Are We Doing</u>
<p>In Place: Personnel policies & procedures Finance Committee Job Descriptions & Market Analysis Management's proactive approach to new & amended audit & accounting standards Organizational Chart GFOA Award Participation Performance Evaluations</p> <p>Planned Actions: Conduct Annual Financial Best Practices Workshops with Council and Management (Q2-2016) Municipal Court Financial Management Handbook for Texas Cities (2017) Annual Director/Manager Responsibility Acknowledgement (Q2-2015) Develop Fraud Policy (2016) Ethics Training (Q3-2015) GFOA Best Practices (Q3-2015)</p>	<p>In Place: Addison Way Develop annual Town-wide goals Mission Statement Council's Vision Property / Liability Insurance Fully staffed / professional finance department</p> <p>Planned Actions: Cash Handling Training (Q2-2015) Evaluation of potential changes in risk associated with ERP (Q2-2015) Remote capture deposit (Q1-2015)</p>	<p>In Place: Common Control Activities Monthly, quarterly, annual reviews Procurement Manual Segregation of duties (banking, payroll, staffing, AP) Cash/asset management & procedures Transparency Award Requirements Opengov Utilizes Technology System Software Permissions Travel policies & procedures Financial Policies</p> <p>-AP/AR/cash receipting/Utility Billing</p> <p>-Investment Policy -Debt Policy -Budget Policy -Financial Reporting -Revenue -Operating Expenditure -Fund Balance -Fund Transfers -Capital Projects Procurement training Authorization of Transactions (re: JE's, non cash collections, AP)</p> <p>Planned Actions: RFP for investment services (Q4-2015) Cash management policy (Q1-2015) Capital asset reporting (2015) Develop cash audit process (Q1-2015) RFP for banking services (Q1-2015)</p> <p>Purchasing/procurement enhancement (Q4- 2014) Payroll Processing (Q4-2014)</p>	<p>In Place: Internal & external information Review of internal controls & explanation to all departments Town-wide communication from City Manager about internal controls Pre-audit meeting & external auditors Financial Reporting Participative Budgeting Management / Council Retreats Quarterly Employee Meetings</p> <p>Planned Actions: Implementation of ERP (Q2-2015)</p>	<p>In Place: Normal day-to-day procedures Independent external audit Data Analysis and Response to Findings</p> <p>Planned Actions: Internal Audit Procedures (Q1-2016) Business Process Review (Q1-2016)</p>
			<p>* Dates listed throughout represent the inception or anticipated start of the project.</p>	