

OUTLIERS INTERNAL CONTROL CENTRE™

Internal Control Toolkit™

Stand up a complete, COSO-aligned control system

Boards / Management / Internal Audit · Flagship Edition 2026

Outliers Professionals Ltd — Internal Control Centre Resource Library

1. Executive Overview

This toolkit helps you design and operate a complete system of internal control across the COSO components and the Three Lines Model — from the control environment to monitoring.

This toolkit is part of the Outliers Internal Control Centre™ and is anchored to COSO, the IIA Standards and the Three Lines Model (by name). It gives boards, management and assurance providers an applied, end-to-end kit to design, operate, test and report controls in this domain.

2. Objectives

The control objectives this toolkit helps you achieve:

- Establish a strong control environment and tone at the top
- Identify risks and link them to controls
- Design and operate effective control activities
- Enforce segregation of duties
- Monitor, test and continuously improve controls

3. Governance

Internal control operates across the Three Lines under board and audit-committee oversight:

Line	Role
Board / Audit Committee	Oversees the control environment and assurance
First line (management)	Owns and operates controls
Second line (risk/compliance)	Sets policy, monitors and supports
Third line (internal audit)	Provides independent assurance

4. Control Framework

The framework follows the COSO components — control environment, risk assessment, control activities, information & communication, and monitoring — operated across the Three Lines Model. Controls are documented in risk & control matrices, owned by the first line, monitored by the second line and assured by the third line.

Maturity model

L1 Initial	L2 Developing	L3 Defined	L4 Managed	L5 Optimised
Informal / unreliable	Basic, inconsistent	Documented & standardised	Monitored & tested	Automated & value-creating

5. Roles & Responsibilities

Role	Responsibility
Board / Audit Committee	Set tone; oversee the control environment and assurance
CEO / Executive	Own the control system; set accountability
Process owners (1st line)	Operate and evidence controls
Risk & compliance (2nd line)	Set policy; monitor; facilitate CSA
Internal audit (3rd line)	Independently test and assure controls

6. Risk-Control Matrix (sample)

Illustrative risk-control matrix. The full working version ships as an editable XLSX with risk owner, control owner, frequency, type, design & operating effectiveness, status, due date and RAG.

Ref	Risk	Control Activity	Owner	Freq	Type
IC-01	Tone at the top unclear	Code of conduct approved & attested	CEO/HR	Annually	Preventive
IC-03	Key controls undefined	Risk & control matrices per process	Process Owners	Quarterly	Preventive
IC-05	Controls not monitored	Monitoring & testing programme	Internal Audit	Quarterly	Detective
IC-06	Incompatible duties combined	SoD matrix; periodic access review	IT/Process Owners	Quarterly	Preventive

7. Sample Controls

- Approved, communicated code of conduct with attestation
- Annual risk assessment mapping risks to controls
- Risk & control matrices maintained for key processes
- Segregation-of-duties matrix enforced
- Monitoring and testing programme operating

8. Control Testing Approach

Test design first (is the control capable of mitigating the risk?), then operating effectiveness (did it operate over the period?). Use the assessment scale: Effective / Partially effective / Ineffective.

Control	Test procedure	Sample basis	Frequency
Entity-level controls	Inspect approvals, attestations and governance records	Judgemental	Annually
Key process controls	Re-perform / inspect evidence for a sample of operations	Sample	Quarterly
SoD controls	Review access vs SoD matrix; investigate conflicts	Full population	Quarterly

Record results in the Control Testing Workpaper and log gaps in the Control Deficiency Tracker (both ship as editable files).

9. Implementation Roadmap

Phase	Focus	Outcome
Phase 1	Diagnose maturity; document control universe	Baseline and control universe
Phase 2	Build risk & control matrices and SoD	Documented key controls
Phase 3	Assign ownership; embed monitoring	Operating, owned controls
Phase 4	Test, remediate and re-assess	Assured, improving controls

10. Templates

This toolkit is supported by the following editable templates and working files in the Resource Library:

- Risk & Control Matrix (RCM) Template (XLSX)
- Segregation of Duties Matrix
- Control Testing Workpaper Template
- Deficiency & Remediation Log (XLSX)
- Internal control maturity self-assessment

11. Checklists

- Control environment and tone at the top established
- Risk assessment completed and mapped to controls
- Risk & control matrices built for key processes
- Control owners assigned for every key control
- Segregation of duties designed and enforced
- Monitoring and testing plan in place
- Deficiencies logged and remediated
- Control reporting to the audit committee operating

12. Board Reporting Examples

Standard control report: executive summary · control effectiveness (RAG) · key metrics · deficiencies & remediation · decisions sought.

Metric	Current	Target	RAG	Action
Control maturity index	62	75	Amber	Advance to Managed
Control effectiveness	88%	≥95%	Amber	Close gaps
Open critical deficiencies	2	0	Red	Escalate & remediate
Monitoring coverage	70%	≥90%	Amber	Extend testing

13. Audit Committee Reporting

Illustrative one-page summary for the audit committee (replace with live data):

Item	Status	Commentary
Control environment	Amber	Defined and standardising; advancing to Managed
Key controls	Amber	Most operating; gaps being closed
Deficiencies	Red	Two critical items in remediation
Decisions sought	—	Approve remediation resourcing

14. RAG Examples

How to read the RAG status used across this toolkit and its workbooks:

RAG	Meaning	Control interpretation	Action
Green	Effective	Design and operating effectiveness both effective	Maintain and monitor
Amber	Partially effective	Design or operating effectiveness only partially effective	Improve and re-test
Red	Ineffective	Design or operating effectiveness ineffective; or critical deficiency	Escalate and remediate

Notes & Disclaimer

This resource is a professional internal-control template, not assurance, audit, legal or regulatory advice. It is anchored to COSO, COSO ERM, the IIA Standards, the Three Lines Model, ISO 31000, ISO 37301, ISO 9001 and COBIT, and to FRCN, NCCG 2018, SEC, CBN and NAICOM requirements — referenced by name only, with no copyrighted framework content reproduced. Calibrate control objectives, controls, owners, frequencies and thresholds to your organisation and

confirm requirements against the current standards and applicable regulation. Bracketed fields [like this] and sample entries are editable, illustrative placeholders.