

Internal Control Act Requirements Reference Guide

Guidelines

1. Establish and maintain guidelines for a system of internal controls.

- ✓ State the agency head's support of internal controls.
- ✓ Define responsibilities of agency management and staff.
- ✓ Describe the process for evaluating internal controls.

Internal Control System

2. Establish and maintain a system of internal controls and a program of internal control review for the agency

- ✓ Evaluate effectiveness of internal control system
- ✓ Incorporate 2013 COSO Framework into the system
- ✓ Institute policy for documenting and reporting deficiencies in system

Policies and Procedures

3. Make available to each officer and employee of the agency a clear and concise statement of the generally applicable management policies and standards with which the officer or employee of such agency shall be expected to comply, along with detailed policies and procedures the employees are expected to adhere to in completing their work.

- ✓ Set clear expectations from agency management in the statement
- ✓ Issue periodically and emphasize the importance of effective internal controls
- ✓ Provide employees with applicable policies and procedures for their position

Internal Control Officer

4. Designated an Internal Control Officer (ICO), who shall report to the agency head, to implement and review the internal control responsibilities established pursuant to this BPRM item.

- ✓ Coordinates internal control activities
- ✓ Ensures activities meet requirements of the B-350
- ✓ Evaluates adequacy of internal control reviews

Education and Training

5. Implement education and training efforts to ensure that officers and employees have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques.

- ✓ Identify staff requiring internal control training
- ✓ Implement on-going and specific training to agency staff

Internal Audit

6. Periodically evaluate the need to establish, maintain or modify an internal audit function. If an internal audit function exists, it should operate in accordance with generally professional standards for internal auditing.

- ✓ DOB establishes list of agencies required to have an internal audit function
- ✓ Internal Audit unit is required to be managed by a Director of Internal Audit (DIA)
- ✓ The DIA reports directly to the agency head