



## Maintenance of Internal Controls

### No. 3010

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12/15/1989

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**Affected Parties:**  
Faculty  
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**1.0 Purpose**  
**2.0 Policy**  
**3.0 Procedures**  
**4.0 Definitions**  
**5.0 References**  
**6.0 Approval and Revisions**

### 1.0 Purpose

The University Controller is assigned the primary responsibility for conducting internal control evaluations and for reporting the results of the evaluation to the State Comptroller on an annual basis.

### 2.0 Policy

The establishment, maintenance and evaluation of an organization's internal controls is the responsibility of management. It is the policy of the University to maintain an adequate system of internal controls in order to safeguard its assets, and identify and correct errors and irregularities in the financial records on a timely basis. It is also university policy to perform evaluations of the system of internal controls through the services of external and internal auditors, as well as periodic evaluations by management.

### 3.0 Procedures

The State Comptroller establishes guidelines for the university concerning management's evaluations of the system of internal controls. In accordance with the guidelines, the university has assigned to the University Controller the primary responsibility for conducting the internal control evaluations. The University Controller is specifically assigned the following duties:

1. Understand and adhere to the guidelines.
2. Develop a method of evaluation of the system of internal controls that is cost-effective, minimizes the impact on academic departments, and achieves compliance with the guidelines.
3. Coordinate management's annual evaluation of internal controls.
4. Coordinate actions to correct identified significant weaknesses in internal controls.
5. Report annually to the Department of Accounts the University's evaluation of the system of internal controls.
6. Submit an annual report on the evaluation to the University's Chief Financial Officer.
7. A review of the evaluation of internal controls will be provided to the Finance and Audit Committee of the Board of Visitors as a part of the financial statement presentation.

### 4.0 Definitions

### 5.0 References

Commonwealth Accounting Policies and Procedures (CAPP) Manual, Topic No. 10305, September 1998.



## 6.0 Approval and Revisions

- Revision 0  
Enacted by Vice President for Business Affairs and Treasurer, Raymond D. Smoot, Jr.
- Revision 1  
Annual review. Added Vice President for Business Affairs and Treasurer to recipients of annual report in Section 3.0, #6.  
  
Approved December 15, 1989, by Vice President for Business Affairs and Treasurer, Raymond D. Smoot, Jr.
- Revision 2  
Policy revised to agree with guidelines in the CAPP Manual.  
  
Approved February 28, 1999, by Vice President for Finance and Treasurer, Raymond D. Smoot, Jr.
- Revision 3  
Policy revised to reflect change in recipients of annual report in Section 3.0, #6. Section 3.0, #7 changed to reflect report to Finance and Audit Committee as a part of financial statement presentation.  
  
Approved July 28, 2000, by Associate Vice President for Finance and Budget, M. Dwight Shelton, Jr.
- Revision 4  
April 1, 2008: Updates to position titles and/or responsibilities due to university reorganization.