

## Internal Control Plan

### Executive Summary

Salem State University's mission is to provide a high quality, student-centered education that prepares a diverse community of learners to contribute responsibly and creatively to a global society, and serve as a resource to advance the region's cultural, social and economic development.

1. Internal Controls are defined as the activities designed to assure:
  - a. programs achieve their intended results
  - b. resources are used effectively and efficiently
  - c. programs and resources are protected from waste, fraud and mismanagement
  - d. laws and regulations are followed
  - e. reliable and timely information is obtained, maintained and reported
  
2. It is the intent of Salem State University to continually take steps to comply with the Office of the State Comptroller's mandates per MGL Chapter 647 Acts of 1989 and Office of the State Comptroller Memorandum FY2001-28; June 29, 2001
  - a. *"Internal Control Systems for the various departments of the Commonwealth shall be developed in accordance with internal control guidelines established by the Office of the State Comptroller"* MGL Chapter 647 Acts of 1989
  - b. *"A departmental control plan is a high level summarization on a departmental-wide basis, of the department's risk (as the result of a risk assessment) and of the controls used by the department to mitigate those risks. This high level summary must be supported by lower level detail i.e. departmental policies and procedures. We would expect this summary to be from appx. pages depending on the size and complexity of the department.....A departmental risk assessment is the identification and analysis of the risks that could prevent the department from reaching its goals and objectives. This identification and analysis forms the basis for determining how the risks should be managed."* Office of the State Comptroller Memorandum FY2001-28; June 29, 2001.
  - c. *The law also requires that all unaccounted for variances, losses, shortages or thefts of funds or property, are immediately reported to the OSA (Office of the State Auditor).* Office of the State Comptroller Internal Control Guide. The university's Internal Control Officer will be responsible for filing these reports when required.
  
3. It is also the intent of Salem State University to follow the guidelines for ARRA Internal Control and sub-recipient monitoring as recommended by the Office of the State Comptroller (OSC) copies of which can be found at the following web addresses:

[http://www.mass.gov/Aosc/docs/business\\_functions/bf\\_int\\_cntrl/arra\\_int\\_ctrl\\_guid.doc](http://www.mass.gov/Aosc/docs/business_functions/bf_int_cntrl/arra_int_ctrl_guid.doc)

[http://www.mass.gov/Aosc/docs/business\\_functions/bf\\_int\\_cntrl/arra\\_subrecip\\_monitor.doc](http://www.mass.gov/Aosc/docs/business_functions/bf_int_cntrl/arra_subrecip_monitor.doc)

4. Salem State University convenes an Internal Control Committee annually. The Chairperson and members of the committee are appointed by the President and represent a cross section of key functional areas within the university. The following is a listing of the current committee members and their area(s) of responsibility:
  - a) Stephen Hoover, Chairperson/Internal Control Officer (Financial Services)
  - b) Amie Goodwin (Academic Affairs)
  - c) Amy Stewart (Financial Aid)
  - d) Amy Turcotte (Institutional Advancement)
  - e) Elaine Milo (Sponsored Programs and Research Administration)
  - f) Evelyn Wilson (Purchasing and Materials Management)
  - g) Heidi Kardenetz (Facilities)
  - h) Laura DiChiara (Registrar's Office)
  - i) Nicole Bousquet (Institutional Advancement)
  - j) Matthew McAuliffe (Informational Technology Services)
  - k) Patricia Bradford (Human Resources & Equal Opportunity)
  - l) Paul Rigby (Financial Services)
  - m) Shawn Newton (Diversity and Multicultural Affairs)
  
5. In accordance with the Office of the State Comptroller Memorandum FY2001-28; June 29, 2001 each committee member serves as a liaison to their respective areas to communicate, assimilate and update respective area internal control plans and contributes to the updating of the **university-wide Risk Assessment Document** while also contributing to a review of the overall Internal Control Plan and Procedures which incorporates the university-wide Risk Assessment Document.
  
6. **An Internal Control Risk/Assessment Document is generated by each area represented by a committee member.** Within the Internal Control Risk Assessment each committee member is to:
  - a. assess potential risk in their area/department of the university
  - b. document their assessments of exposure to risk
  - c. document procedures needed to be taken to mitigate risk
  - d. oversee the updating of the detailed procedures within their areas/departments
  - e. submit an annual update to the Internal Control/Risk Assessment Document.
  - f. assure each area's Risk Assessment document is returned to Financial Services and integrated into the university-wide Risk Assessment Document
  
7. The risk factors to be mitigated through Internal Controls as defined by the Government Accounting Standards Board (GASB) are those activities designed to ensure:
  - a. programs achieve their intended results
  - b. resources are used effectively and efficiently
  - c. programs and resources are protected from waste, fraud and mismanagement
  - d. laws, regulations, grant agreements are followed
  - e. reliable and timely information is obtained, maintained and reported.

8. The tasks the committee needs to accomplish include each member:
  - a. attend the initiation meeting
  - b. receive their current section of the Internal Control/Risk Assessment document(s)
  - c. review their section of the Internal Control/Risk Assessment document(s)
  - d. make revisions, updates and/or initiate new documentation of areas of risk with corresponding risk mitigation and control procedures
  - e. reconvene to discuss further steps that may need to be taken by the committee (optional)
  - f. return their updated Internal Control/Risk Assessment documents via e-mail to the chairperson or their designee for integration into the centralized document.
  - g. review and submit comments relative to the university's Internal Control Plan
9. Per the Office of the State Comptroller memorandum, each area/department within the university is responsible for maintaining and managing its own, detailed Internal Control Policies and Procedures that substantiate the mitigation steps outlined in their section of the Risk Assessment Document.
10. Additional steps that are taken to assure sound internal control include:
  - a. Internal Control responsibilities are written into key job descriptions
  - b. Staff meetings with line staff define and discuss responsibilities for Internal Controls
  - c. Staff meetings with management define and discuss responsibilities for Internal Controls
11. **Please Note: the university's internal financial control systems and procedures are tested and reviewed annually by an independent auditing/public accounting firm as part of its annual independent financial audit in accordance with Generally Accepted Auditing Standards (GAAS).**
12. The updating of the Internal Control Risk Assessment is completed by June 1<sup>st</sup> of each year.
13. The Office of the State Comptroller Quality Assurance Bureau Director is informed that the updated **Internal Control/ Risk Assessment Document** is available to the Office of the State Comptroller and can also be obtained over the internet from the Salem State University web-site.