

Central Virginia Community College Policies
III – Financial Services
Internal Controls



Policy #:	CVCC0065
Effective:	__/__/__
Last Reviewed/Revised:	09/09/2022
Responsible Dept.:	Financial and Administrative Services
Other Policy References:	NA

Objectives:

Internal controls include organizational plans and procedures which are designed to accomplish the following objectives:

- Safeguard assets,
- Verify the accuracy and reliability of accounting data and other management information,
- Promote operational efficiency, and
- Ensure adherence to prescribed policies and procedures.

Policies:

- Management is responsible for the promulgation of policies and procedures directed toward the establishment of good internal controls.
- Department heads and directors are responsible for implementing policies and procedures for conducting their business activities in a manner consistent with good internal controls.
- The College will strive to gain and maintain appropriate understanding of authoritative literature that addresses the subject of maintaining adequate internal controls, which will include a review of the contents and recommendations found and published on the Department of Accounts (DOA) website.
- Any observed weaknesses in internal control should be brought to the attention of the Vice President of Financial and Administration.
- The College will conduct an anonymous ARMICS Survey among select employees of the college annually for the sole purpose of identifying any internal control weaknesses. The report shall be evaluated by College administration, and any corrective action deemed necessary will be taken to improve internal controls.
- The College shall certify assessment of internal controls each fiscal year, no later than September 30th, to the Department of Accounts (DOA).

Procedures:

- Responsibility to Safeguard Assets.
 - Appropriate physical safeguards must be employed to protect all assets.
 - Appropriate procedural safeguards must be in place to protect cash and cash convertible items.
- Responsibility to Verify the Accuracy & Reliability of Financial Data.
 - Each Department Head or Division Dean charged with budget management and tracking shall be granted access to the Administrative Information System (AIS).
 - Each Department Head or Division Dean shall verify the accuracy of information recorded within the AIS system and promptly report any discrepancies to the Business Manager.

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- The reliability of AIS reporting is dependent on the timely recording of all transactions. Vouchers, travel expense reimbursements, purchase orders, billings, receipts, personnel/payroll transactions, receiving reports, and any other financial transactions must be forwarded promptly to the appropriate department for processing.
- The Vice President for Finance and Administration will review accounts on a regular on-going basis and seek resolution of any questionable transactions.
- Responsibility to Promote Operational Efficiency by Organization & Training.
 - Organization plans must be designed to segregate duties so that no one employee controls all phases of a transaction.
 - New employees should be trained adequately for the responsibilities to help assure efficiency and accuracy.
 - The Human Resources Office is responsible for the development of broad training programs. Specific job training and assignment of job responsibilities are the responsibility of the Department Head and/or Division Dean.
- Ensure Adherence to Prescribed Policies & Procedures.
 - The VCCS Internal Audit Department is an integral part of the internal controls system. This Office will monitor and evaluate College adherence to VCCS and Commonwealth of Virginia Policy and internal control standards.
 - The appropriate Department Head and/or Division Dean must make a written response to any findings of inadequate internal controls and take prompt corrective action as recommended.
 - Internal and external audit reports, management comments, and internal progress reports will be reviewed with the Finance Committee of the Local Board.
 - The College's policies and procedures are the primary means of establishing internal controls. In addition to conforming to certain State and Federal regulations, these controls allow the college to fulfill the responsibility of prudent management. All individuals who deal with financial and administrative matters must be familiar with and adhere to these policies and procedures. Failure to adhere to the College's policies and procedures may be considered misconduct, as stated in the State's Standard of Conduct policy.