

# The Ledger

## A Newsletter of the University Controller's Organization

Website: <http://www.controller.vt.edu>

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Vol. E, No. 153

August 29, 2019

### Revision to Policy 3010: Internal Controls

Revisions to Policy 3010: Internal Controls were published on the university's policy website (<https://policies.vt.edu>) on August 29, 2019. This policy addresses the university's system of checks and balances that prevent or detect errors and irregularities, ensure compliance with university policies and procedures and state and federal laws and regulations, and safeguard university assets. Revisions to the policy reflect each employee's responsibility to maintain effective internal controls and good business practices within the university's decentralized environment.

The intent of this article is to communicate to the campus community the purpose of internal controls and to highlight the addition of Section 3.1 – Responsibility and Accountability. Below is a summary of these roles and responsibilities and you are encouraged to read the entire policy [here](#).

#### 3.1.1 Faculty, Staff, and Other Employees' Responsibility and Accountability

All employees are responsible for the following:

- Acknowledging and abiding by the [Statement of Business Conduct Standards](#), a university guide of key principles for ethical business and administrative conduct;
- Being good stewards of public and private funds by making wise, careful, and respectful use of university resources;
- Understanding and adhering to the operating procedures and internal controls established by their organizational unit and central administrative offices;
- Utilizing university resources for legitimate university purposes, and not for personal gain;
- Securing and protecting public, private, and confidential information; and
- Reporting suspected irregularities or fraudulent activities or transactions to either the Office of Audit, Risk, and Compliance, the university Police department, or the State Employee Hotline in accordance with [Policy 1040, Reporting and Investigating Suspected Fraudulent Activities](#).

#### 3.1.2 Management Responsibility and Accountability

Vice Presidents, Deans, Department Heads, Department Chairs, Directors or similarly titled administrative managers, hereafter referred to as "managers" are responsible for promoting a strong ethical business environment. Managers are specifically responsible for promoting a strong ethical business environment by:

- Establishing the "tone at the top", which promotes a strong ethical business environment;
- Establishing departmental business processes with appropriate levels of authority, responsibility, and segregation of duties;
- Hiring competent administrative and fiscal personnel and ensuring they receive adequate training;
- Ensuring administrative and fiscal personnel are assigned responsibility and accountability for consistent compliance with university policies and procedures, and have adequate knowledge to effectively determine if transactions are allowable and compliant. This includes establishing department procedures for monthly reconciliations of financial transactions per [Policy 3100: Fiscal Responsibility](#);
- Limit employee access to assets, space and electronic systems based on job responsibilities;
- Ensuring that reports of violations within their area of responsibility are properly resolved, including disclosure to sponsors or other state or federal authorities as appropriate; and
- Conducting an annual self-assessment of the financial and business processes for their area(s) and certifying the results of self-assessment on the Financial and Business Compliance Survey distributed by the Controller's Office and work with central offices to address corrective actions as necessary.