



THE COMMONWEALTH OF MASSACHUSETTS

CvRF Risk Management and Compliance Discussion

November 2020

INTERNAL CONTROLS PLAN

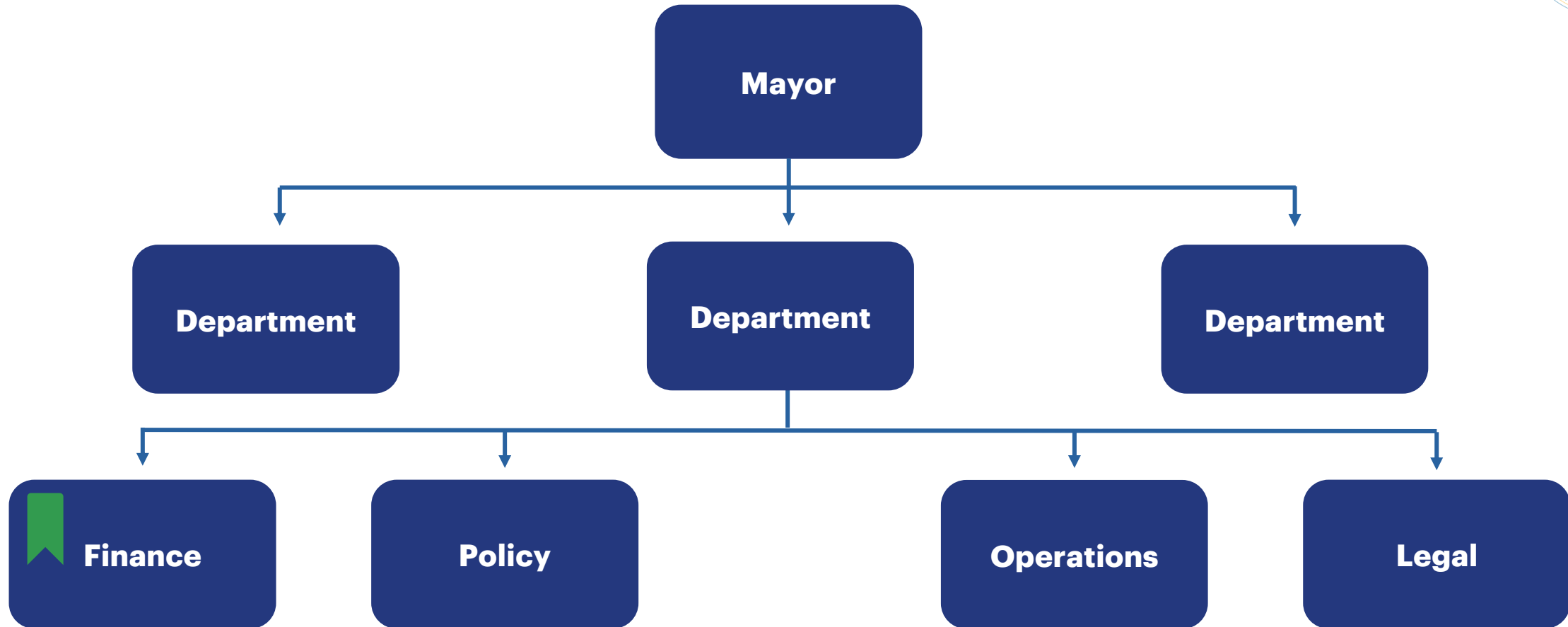
To properly manage federal funds, municipalities should ensure strong internal controls plans are in place

KEY INTERNAL CONTROLS QUESTIONS



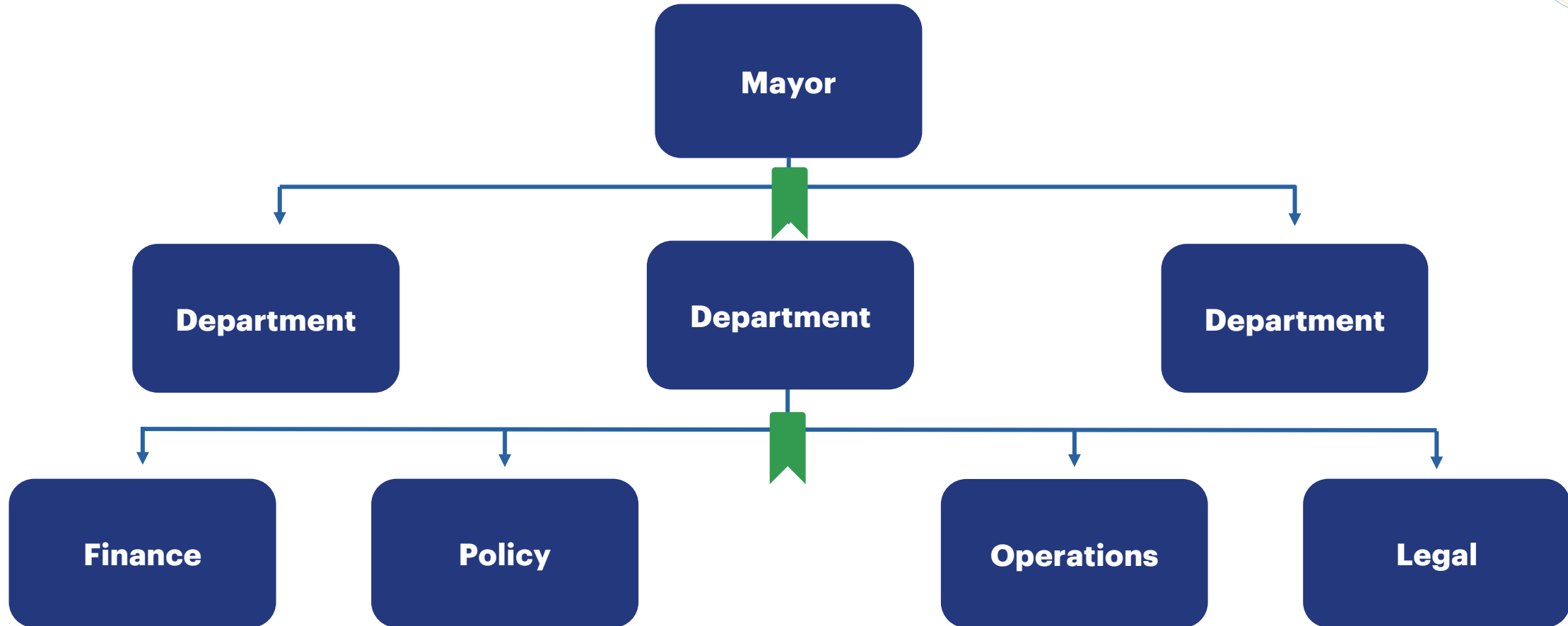
- **Does your internal control plan reflect all of your department's business?**
- **Does your plan reflect actual practice?**
- **Is the plan used?**

HISTORIC INTERNAL CONTROLS MODEL



 Point where there is an existing internal Controls Plan

NEW INTERNAL CONTROLS MODEL



We need to establish internal controls form cabinet secretary to departments, and then from department to finance, policy, operations and legal.

INTERNAL CONTROLS PROCESS



An internal controls process is designed to provide reasonable assurances regarding the achievement of objectives in the following areas:

Key Components of Successful Internal Controls

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Control environment
- Risk assessment
- Control activities
- Information communication and monitoring

Internal controls are not merely policy manuals and forms, but people at every level of an organization. Do you have an internal controls plan in place?