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DMH POLICY

Title: Internal Control Plan	Policy #: 08-01
	Date Issued:
	Effective Date:
Approval by Commissioner:	
Signature: Barbara A. Leadholm, M.S., M.B.A.	Date:

I. PURPOSE

The purpose of this policy is to ensure that the Department of Mental Health (DMH) is in compliance with Chapter 647 of the Acts of 1989 regarding the development, documentation and implementation of internal control systems for DMH. An agency's internal control systems include its plan of organization and the methods and procedures that the agency uses to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to applicable law and prescribed managerial policies. A system of internal controls extends beyond those matters which relate directly to the functions of the agency's accounting and financial departments.

II. SCOPE

This policy is applicable to all DMH offices, DMH-operated facilities and programs. This policy repeals the current DMH Internal Control Manual, including Administrative Procedures #1 through 10 (each dated August 23, 1999) contained in the DMH Internal Control Manual.

III. DEFINITIONS

Administrator-in-Charge: The DMH Workforce Member with administrative responsibility for a DMH Central Office division (e.g., Deputy Commissioner for Mental Health Services), Area, Site, DMH-operated facility or program.

Internal Control Plan: DMH internal control plan that documents DMH internal control systems.

IV. POLICY

A. Appointment of an Internal Control Officer. The Deputy Commissioner of Management and Budget shall appoint an employee as DMH's Internal Control Officer (ICO). The Deputy Commissioner of Management and Budget and the ICO shall have overall responsibility for the development, documentation and implementation of DMH policies and procedures relating to DMH fiscal operations and internal controls. The ICO shall be responsible for reporting immediately to the Office of the State Auditor any unaccounted for variances, losses, shortages or thefts of DMH funds or property in compliance with Chapter 647 of the Acts of 1989.

B. Development, Documentation and Implementation of an Internal Control Plan. DMH policies and procedures relating to its fiscal operations and controls shall include, but not be limited to, the development and implementation of an Internal Control Plan (ICP) that complies with Chapter 647 of the Acts of 1989 and the Internal Control Guidelines promulgated by the Office of the Comptroller. At a minimum, the ICP shall require the following:

- DMH's internal control structure for its fiscal operations is documented;
- Transactions are promptly recorded, clearly documented and properly classified throughout the lifecycle of the transaction and event;
- Transactions are authorized and executed by persons acting within the scope of their authority;
- Key duties and responsibilities are segregated to the extent practical for all financial transactions to allow for adequate checks and balances;
- Access to resources is provided only to authorized individuals;
- Resources and recorded accountability of resources are periodically compared; and
- Qualified and continuous supervision is provided to staff to ensure that internal control objectives are achieved.

C. Distribution of the ICP. DMH's ICP will be posted on the DMH Intranet Site and hard copies will be maintained by the ICO, each Area Operations Manager and the Central Office Director of Accounting & Operations. The ICO will be considered the keeper of the ICP and will be responsible for ensuring that the ICP on the Intranet Site is kept current and shall provide access to the ICP to the Office of the State Auditor, Office of the Comptroller and the Office of the Secretary for Administration and Finance upon request.

D. Compliance with the ICP. To the extent applicable, all DMH offices, DMH-operated facilities and DMH employees are responsible for complying with DMH's ICP.

E. ICP Reviews and Updates. The Deputy Commissioner of Management and Budget and the ICO shall ensure that the ICP is reviewed at least annually or more frequently if there is a change in law or regulation that impacts any business processes covered by the ICP. In addition, the ICP shall be reviewed upon any recommendations being made as part of an internal or external audit. If there are changes and/or additions to the ICP, the Deputy Commissioner and the ICO will ensure that all appropriate staff are notified of the changes and/or additions.

F. Training. The Deputy Commissioner of Management and Budget and the ICO shall ensure that appropriate DMH employees, volunteers, trainees and contracted vendors are trained on the ICP.

V. POLICY IMPLEMENTATION

It is the responsibility of the DMH Commissioner, Deputy Commissioner of Management and Budget and the ICO to ensure that this policy is implemented.

It is the responsibility of every DMH Administrator-in-Charge to ensure that the ICP is properly implemented at his/her office, Area, Site or DMH-operated facility or program.

VI. REVIEW OF THIS POLICY

This policy and its implementation shall be reviewed at least every three years, but immediately upon any change to federal or state law or regulation regarding internal control requirements.