

School District of Broward County

Internal Control Framework

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The background of the slide is a low-angle photograph of several palm trees reaching towards a clear blue sky. In the upper right, a portion of a white building with blue and orange architectural details is visible. The image is split diagonally by a white line that runs from the top left to the bottom right.

INTERNAL CONTROLS OVERVIEW

The MSL logo consists of the letters "MSL" in a bold, white, sans-serif font. The letters are set against a black rectangular background. A thin blue horizontal line is positioned directly beneath the black rectangle.

MSL

FLORIDA ROOTS. GLOBAL REACH.

Risk Assessment Overview



- The objective of a risk assessment is to analyze organization risk, including the inherent risk and impact on the District's operations
- The most widely accepted approach in conducting a risk assessment is the Committee of Sponsoring Organizations (COSO) guidance on monitoring internal control systems

COSO Model



Control Environment	<ol style="list-style-type: none">1. Demonstrates commitment to integrity and ethical values2. Exercises oversight responsibility3. Establishes structure, authority, and responsibility4. Demonstrates commitment to competence5. Enforces accountability
Risk Assessment	<ol style="list-style-type: none">6. Specifies suitable objectives7. Identifies and analyzes risk8. Assesses fraud risk9. Identifies and analyzes significant change
Control Activities	<ol style="list-style-type: none">10. Selects and develops control activities11. Selects and develops general controls over technology12. Deploys through policies and procedures
Information and Communication	<ol style="list-style-type: none">13. Uses relevant information14. Communicates internally15. Communicates externally
Monitoring Activities	<ol style="list-style-type: none">16. Conducts ongoing and/or separate evaluations17. Evaluates and communicates deficiencies

Benefits of COSO Model



- Opportunity for re-evaluating existing control structure
- Improve the efficiency or effectiveness of internal controls
- Ensure to keep pace with evolving business environment and emerging risks
- Enhancing governance
- Improving risk assessment and antifraud practices

GAO Greenbook



- Standards for internal control in state and local
- Is an acceptable framework for internal control on the state and local government level under OMB's Uniform Guidance for Federal Awards
- Written for government
 - Leverages the COSO Framework
 - Uses government terms

Green Book Model



Control Environment

1. Demonstrate Commitment to Integrity and Ethical Values
2. Exercise Oversight Responsibility
3. Establish Structure, Responsibility, and Authority
4. Demonstrate Commitment to Competence
5. Enforce Accountability

Risk Assessment

6. Define Objectives and Risk Tolerances
7. Identify, Analyze, and Respond to Risk
8. Assess Fraud Risk
9. Analyze and Respond to Change

Control Activities

10. Design Control Activities
11. Design Activities for the Information System
12. Implement Control Activities

Information & Communication

13. Use Quality Information
14. Communicate Internally
15. Communicate Externally

Monitoring

16. Perform Monitoring Activities
17. Remediate Deficiencies

Significant Audit and Financial Reporting Areas



- Internal control over financial accounting and reporting
- Information Technology (IT) systems
- Financial statement preparation procedures
- Capital assets accounting, including depreciation, project tracking, etc.
- Investment policies and procedures, portfolio management, income allocation, etc.
- Debt, including compliance with applicable covenants
- Net Position/Fund Balance classifications
- Payroll processing
- Budgetary compliance and accountability
- Compliance with contracts, laws, regulations, and grant agreements

Questions or Comments

