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**Subject: Internal Controls**

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**1. Purpose**

The purpose of this document is to provide guidelines for the implementation of the programs which shall be used to assess, implement, and enforce internal controls at Tidewater Community College (TCC). Internal control programs enable reasonable assurances that TCC’s accounting records are sufficiently reliable to support the preparation of accurate financial statements, safeguard college assets, and ensure the college is in compliance with applicable laws and regulations.

**2. Policy**

Tidewater Community College shall establish and maintain a system of internal control which promotes efficiency and effectiveness, and ensures adherence to college, Commonwealth of Virginia, and Federal policies and procedures.

An effective internal control program relies on the participation of all employees of Tidewater Community College (TCC). All TCC employees shall exercise judgment and act to protect the college and its resources from loss, waste, or damage as well as ensure the accuracy and reliability of financial and other key data. All employees are expected to exhibit ethical values and integrity in their daily activities, seeking areas for improvement and acting in the best interests and protection of the college.

Any employee of the college who observes a weakness or deficiency in internal control shall bring it to the attention of the appropriate Executive Staff member and/or the Vice President for Finance.

### **3. Responsibilities**

The Vice President for Finance will review this policy every year on the anniversary of its approval and, if necessary, recommend revisions.

### **4. Procedures**

The State Comptroller requires the college to certify annually that adequate internal accounting controls are in place or to disclose areas where deficiencies in internal controls have been noted. An Agency Risk Management and Internal Control Standards (ARMICS) survey will be distributed annually to designated personnel, and all participants must respond within the specified time. Once the survey results are published, TCC leadership will analyze the results to identify internal control improvements which may be needed.

In addition to the ARMICS survey, the college will conduct an annual assessment of its internal control environment in accordance with the requirements of ARMICS. These requirements include but are not limited to annual:

- documentation of significant fiscal processes, associated risks, and control points;
- evaluation of significant organizational changes and their impacts on fiscal processes;
- re-assessment of the overall risk environment;
- transaction level testing of new and existing controls associated with significant fiscal processes; and
- documentation of corrective action plans to address any deficiencies in internal controls.

### **5. Definitions**

**Internal Controls** – Internal controls are those practices which are designed to safeguard assets, verify the accuracy and reliability of accounting data, promote operational efficiency, and ensure adherence to prescribed policies and procedures.

### **6. References**

[CAPP Manual, Section 10305 Internal Control](#)

[DOA Agency Risk Management and Internal Control Standards \(ARMICS\)](#)

### **7. Review Periodicity and Responsibility**

The Vice President for Finance shall review this policy annually on the anniversary of its approval and, if necessary, recommend revisions. The policy shall also be reviewed when changes to the relevant policies and procedures are made.

## **8. Effective Date and Approval**

This policy is effective upon its approval by the College President on November 13, 2014.

Policy Approved:

Edna V. Baehre-Kolovani, Ph.D.  
President

Procedure Developed:

Phyllis F. Milloy  
Vice President for Finance

## **9. Review and Revision History**

This is the initial version of this policy.