

Book	Policy Manual
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Title	Copy of po6111 INTERNAL CONTROL STANDARDS AND PROCEDURES
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6111 - INTERNAL CONTROL STANDARDS AND PROCEDURES

The Superintendent shall establish, document and maintain effective internal control standards and procedures for all funds received by the School Corporation, including financial grants and awards from Federal or State sources, that provide reasonable assurance that the Corporation is managing the program and funds are managed in compliance with applicable Federal and State that U.S. Constitution, Federal, and State statutes, Federal and State regulations, and the terms and conditions of grants and awards made to the Corporation.

The Corporation shall have a process that provides reasonable assurance regarding the achievement of the following objectives:

- A. effectiveness and efficiency of operations;
- B. reliability of reporting for internal and external use; and
- C. compliance with applicable laws and regulations.

These internal controls should comply with the guidance in "Standards for Internal Control of the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The internal control standards and procedures must provide reasonable assurance that transactions are properly recorded and accounted for in order to permit the preparation of reliable financial statements and Federal and State reports; maintain accountability over for all funds, property, and assets; and demonstrate compliance with Federal and State statutes, Federal and State regulations, and the terms and conditions of grants and awards.

The internal control standards and procedures also must provide reasonable assurance that these transactions are executed in compliance with Federal and State statutes, Federal and State regulations, and the terms and conditions of grants and awards that could have a direct and material effect on any grant or award, as well as any other Federal and State statutes and regulations that are identified in the Federal Compliance Supplements and/or directives of the State Board of Accounts (SBOA).

Additionally, the Corporation's internal control standards and procedures must provide reasonable assurance that all Federal and State funds, property, and other assets are safeguarded against loss, from damage, theft, fraud, unauthorized use, or unauthorized disposition.

Further, erroneous or irregular material variances, losses, shortages, or thefts of any amount of Corporation funds or property whose source is a Federal grant or award are considered material and therefore are to be reported immediately to the SBOA as required by Federal and State law.

Other than with respect to Corporation funds or property whose source is a Federal grant or award, any erroneous or irregular material variances, losses, shortages, or thefts of Corporation funds or property in excess of:

- A. with respect to cash funds: \$5,000.00 in any fund
- B. with respect to assets other than cash funds: any asset valued in excess of \$5,000

are considered material and therefore are to be reported immediately to the SBOA as required by State law.

The Corporation shall:

- A. comply with **the U.S. Constitution**, Federal statutes, regulations, and the terms and conditions of the Federal grants and awards;
- B. comply with State statutes and regulations related to the management and control of all funds received by the Corporation;
- C. evaluate and monitor its compliance with **the U.S. Constitution**, statutes, regulations, and the terms and conditions of Federal grants and awards and State and local funds received;
- D. investigate all variances, losses, shortages, or thefts of Corporation funds or property, document the investigation and its results, and maintain a record of the investigation and its results;
- E. take prompt action when instances of noncompliance are identified ~~including noncompliance identified in audit findings~~;
- F. report all misappropriations of Corporation funds or property to the SBOA and the county prosecuting attorney whenever a Corporation employee has actual knowledge of or reasonable cause to believe that a misappropriation has occurred;
- G. provide, upon employment and periodically thereafter, training concerning the internal control standards and procedures established for the Corporation for any personnel whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to the Federal government, State government, the Corporation, or other governmental entities; and
- H. take reasonable **cybersecurity and other** measures to safeguard protected ~~"personally identifiable" information (PII) and other information the State, awarding agency, or pass-through entity designates as sensitive or the Corporation considers sensitive consistent with applicable Federal, State, local, and tribal laws and Corporation policies regarding privacy and obligations of confidentiality.~~ **information including protected "personally identifiable information" (PII) and other types of information. This also includes information the Federal agency or pass-through entity designates as sensitive or other information the Corporation considers sensitive and is consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.**

PII is defined at ~~2 C.F.R. 200.79~~ **2 C.F.R. 200.1** as "information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. "

~~However, the~~ **The** definition of PII is not ~~anchored~~ **attached** to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified.

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2 C.F.R. 200.61-.62

2 C.F.R. 200.79

2 C.F.R. 200.203

State Examiner Directive 2015-6 (SBOA 11-18-15)