



OLD DOMINION UNIVERSITY

University Policy

Policy #3010

INTERNAL CONTROLS

Responsible Oversight Executive: Vice President for Administration and Finance
Date of Current Revision or Creation: June 24, 2010

A. PURPOSE

The purpose of this policy is to assign responsibility for compliance with requirements set forth in laws, regulations and standards for internal controls, as well as those found in commonly accepted business practices.

B. AUTHORITY

[Virginia Code Section 23-9.2:3, as amended](#), grants authority to the Board of Visitors to establish rules and regulations for the institution. Section 6.01(a)(6) of the [Board of Visitors Bylaws](#) grants authority to the President to implement the policies and procedures of the Board relating to University operations. Section 7.01 of the Board of Visitors Bylaws grants specific authority to the University Auditor.

[Commonwealth Accounting Policies and Procedures \(CAPP\), Section 10305](#)

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

C. DEFINITIONS

Internal Controls – The structure, policies, and procedures used to ensure that management accomplishes its objectives and meets its responsibilities. Internal controls include plans and procedures designed to (1) safeguard assets, (2) verify the accuracy and reliability of accounting data and other management information, (3) promote operational efficiency, and (3) ensure adherence to prescribed policies and procedures.

D. SCOPE

This policy applies to all employees of the University and its affiliated organizations. Employees include all staff, administrators, faculty, full- or part-time, and classified or non-classified persons who are paid by the University. Affiliated organizations are separate entities that exist for the benefit of the University and include the Foundations, the Community Development Corporation, and the Alumni Association.

E. POLICY STATEMENT

The overall purpose of internal control is to help an organization achieve its mission and accomplish certain goals and objectives. An effective internal control system helps an organization to:

- Promote orderly, economical, efficient and effective operations.
- Produce quality products and services consistent with the organization's mission.
- Safeguard resources against loss due to waste, abuse, mismanagement, errors and fraud.
- Promote adherence to statutes, regulations, bulletins and procedures.
- Develop and maintain reliable financial and management data, and accurately report that data in a timely manner.

Internal controls are the responsibility of all employees of the department; generally an employee's position will determine the extent of their involvement. However, the greatest amount of responsibility rests with the managers of the department.

F. PROCEDURES

Financial internal accounting controls are based on both Commonwealth Accounting Policies and Procedures (CAPP) and industry practice. University-wide awareness and interpretation of CAPP and industry practice shall be the responsibility of the University Controller. Questions regarding adequate internal controls may be directed to the University Controller for research and response.

The controls on other administrative processes that have a significant financial impact and non-financial internal controls are the responsibility of the appropriate vice president.

Department management is responsible for monitoring internal controls to ensure that they exist and are operating effectively.

The University Internal Auditor will periodically verify management's actions with relation to establishing and monitoring of these internal controls.

G. RESPONSIBLE OFFICER

Associate Vice President for Administration and Finance

H. RELATED INFORMATION

N/A

POLICY HISTORY

Policy Formulation Committee (PFC) & Responsible Officer Approval to Proceed:

Responsible Officer Signature

Date

Policy Review Committee (PRC) Approval to Proceed:

/s/ Donna W. Meeks
Policy Review Committee (PRC),
Chair Signature

November 10, 2009
Date

Executive Policy Review Committee (EPRC) Approval to Proceed:

/s/ Robert L. Fenning
Responsible Oversight Executive Signature

June 21, 2010
Date

Presidential Approval:

/s/ John R. Broderick
President

June 24, 2010
Date

Policy Revision Dates: December 1, 1988; June 24, 2010

Scheduled Review Date: June 24, 2015