

Policy Number #0102-01

Internal Control System

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Authority: Minnesota Management and Budget,
Internal Control and Accountability

OVERVIEW

Purpose Statement

The Commissioner of Minnesota Management and Budget (MMB) is responsible for the system of internal control across the executive branch. The Commissioner coordinates the design, implementation, and maintenance of an effective system of enterprise internal controls for all executive agencies to protect state funds and assets and minimize incidences of fraud, waste, and abuse.

The Commissioner of MMB must adopt internal control standards, policies, and procedures that agencies must follow to meet the requirements of state law. This policy adopts the United States Government Accountability Office, [*Standards for Internal Control in the Federal Government*](#), also known as the *Green Book*, as the criteria to design, implement, and operate an effective system of internal control across the executive branch and within individual executive branch agencies.

Applicability

Minnesota Management and Budget (MMB) determines which executive branch agencies must follow this policy and communicates this requirement to them annually. Minnesota State Colleges and Universities System and the Minnesota Historical Society are not a part of the executive branch for the purposes of this procedure and other related internal control policies and procedures.

Annual Internal Control System Certification

Annually, the head of every executive branch agency must complete and sign Form 0102-01F, *Internal Control System Certification*. By signing the annual certification form, the head of each agency confirms an annual review of the agency internal control system has occurred and certifies the agency internal control system is compliant with the internal control standards, policies, and procedures established by the Commissioner of MMB.

The head of an oversight body (board, council, commission, or committee) must review the supporting documentation for the annual certification. The review must include the agency Control System Assessment Tool (CSAT) and Agency Risk Assessment submission, if applicable. The head of the oversight body must sign the certification form along with the agency head.

Agencies must submit the certification form, completed CSAT, and Agency Risk Assessment submission to MMB on or before July 31 of each year as a part of the Internal Control System Certification process.

Internal Control System Standards

The *Green Book* defines the internal control standards through 5 components and 17 principles and explains why they are critical to an agency internal control system to:

- safeguard public funds and assets and minimize fraud, waste, and abuse.
- ensure programs are administered in compliance with federal and state laws and rules
- document internal control procedures over financial management activities, provide for the analysis of risks, and provide for periodic evaluation of control procedures.

Related Policies, Procedures, and Resources

- [*Standards for Internal Control in the Federal Government*](#), (Green Book)
- [*Form 0102-01F, 2020 Internal Control System Certification*](#)
- [*MMB Statewide Operating Procedure, 0102-01.1, Control System Assessment*](#)
- [*Form 0102-01.1F, 2020 Control System Assessment Tool*](#) (CSAT)
- [*MMB Statewide Operating Procedure, 0102-01.2, Risk Assessment*](#)
- *Risk Mitigation & Control Activities Guide*
- [*Form 0102-01.2F, Agency Risk Assessment Worksheet*](#)
- [*Appendix A – List of Formal Risk Assessment Agencies*](#)

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