Internal Controls Policy

Policy Information

Date Established: March 29, 2022

Date Last Updated:

Category: Student Association

Internal Control Program Approved: April 19, 2022

Summary

This policy establishes a framework for a system of internal controls and communicates the Student Association's internal control objectives.

Policy Statement

University at Buffalo Student Association Inc. (Student Association, SA) is committed to a strong system of internal controls focused on accountability and oversite of operations and reasonably assure SA:

- Meets its mission
- Promotes performance leading to effective accomplishment of objectives and goals
- Safeguards assets
- Provides accurate and reliable financial and other key data
- Promotes operational efficiency and economy
- Encourages adherence to applicable laws, regulations, policies, and practices

Best Practices

An effective system of internal controls is supported by best practices including, but not limited to:

- **Segregation of Duties –** To prevent the occurrence of undetected errors or fraud, responsibilities must be divided so that one individual does not control all aspects of a transaction.
- **Safeguarding Assets –** Assets and records must be kept secure at all times to prevent unauthorized access, loss or damage. Security of assets and records is essential for accurate operations.
- **Safeguarding Confidential information** – Ensure the security and confidentiality of personal and private information, protect against any anticipated threats to its security or integrity, and guard against unauthorized access and use.
- **Review and Approval** – Review and approval of internal processes should be obtained from a knowledgeable and independent party.
- **Timeliness** – Make all efforts to meet prescribed deadlines and prioritize critical work to avoid fines and negative impacts on operational processes.
- **Documentation** – Provide evidence for transactions to support accuracy and consistency

Internal Control Program

The Student Association's internal control program is a system of accountability and included all the plans and actions that assure reasonable control over SA's operations. Control activities, which occur throughout the organization at all levels and function, help ensure that necessary actions are taken to address risk while achieving SA's objectives. Internal controls are owned by the individual performing SA's operations and every employee is responsible for ensuring that the program is

effective in achieving SA's mission. Employee competence and professional integrity are essential components of a sound internal control program.

While internal controls themselves are owned by the employees responsible for the control, along with their managers or supervisors, the internal control program is supported at the highest levels of SA's management. The SA Executive Board and Professional Staff provides guidance and the resources to maintain a successful program. The internal control program is enforced through thoughtful, risk-based assessments.

Background

The Student Association has adopted this policy in accordance with the State University of New York Student Activity Fee Programs – Mandatory, Fiscal and Accounting Procedures for, Document Number: 3900.

An effective internal control system provides reasonable assurance that the Student Association will achieve its mission. Reasonable assurance is a concept that recognizes the cost of internal controls should not exceed the benefits. Managers must use judgment and estimates to assess cost, benefit, and risk and develop controls that support achievement of department goals and adequately safeguard assets, provide reliable information, and meet compliance requirements.

Applicability

This policy applies to all Student Association entities.

Definitions

Effective Control

Management-directed-authorized and monitored performance, which includes periodically comparing actual with planned performance, and documenting these actions to provide reasonable assurance that organizational goals will be achieved.

Internal control

The integration of the activities, plans, attitudes, policies, and efforts of the people of a department working together to provide reasonable assurance that the organization will achieve its objectives and mission.

Professional Integrity

Demonstrate behaviors that show a commitment to consistent and willing adherence to guidelines and policies as well as to ethical conduct in support of the mission of the university.

Reasonable Assurance

Errors and other deviations are kept to a tolerable level; for example, in the normal course of their assigned duties, employees will prevent errors of improper acts and will detect and correct them within a reasonable time, thereby mitigating their detrimental effects.

Risk

A probability or threat of damage, injury, liability, loss or any other negative occurrence that is caused by eternal or internal vulnerabilities and that may be avoided through preemptive action.

Responsibility

Executive Board

- Promote a culture that embraces an effective internal control program.
- Support the internal control program by providing necessary resources.
- Champion the organization-wide effort to establish, implement, and maintain a system of internal controls and program of internal control review within their areas of responsibility. Collaborate with Professional Staff members as appropriate.
- From time to time or at the suggestion of a professional staff member review, evaluate and potential update the aspects of the internal control program and perform risk assessments for applicability to the Student Association's strategic objectives.
- After working in conjunction with the Professional Staff to create any updates to SA's internal control program, as the Internal Control Officers of the organization, the Executive Board has the responsibility of presenting the changes to both the Senate and the University's Designee for approval.

Professional Staff

- Suggest to the Executive Board that aspects of the internal control program should be reviewed and potentially updated to ensure that the program remains applicable to the Student Association's strategic objectives and stay up to date business practices.
- Work in-conjunction with the Executive Board to draft the updates to any for the internal control program before it is presented to the Senate and University's Designee for approval.

Administrative Director

- In addition to the responsibilities of all professional staff, to perform an audit or review of the internal control program instituted by the Associate Administrative Director.

Associate Administrative Director

- Coordinate and communicate all aspects of the Student Association's internal control program.
- Facilitate documenting an inventory of internal controls in the Student Association
- Develop and coordinate all policy related to the internal control program
- Implement an on-going training process for all employees
- Periodically review and report on the adequacy of internal controls for functions of SA that are not directly their area of responsibility.

Departmental Directors

- Create a control environment that encourages compliance with SA policies and procedures.
- Coordinate with the Administrative Director or Associate Administrative Director to periodically review and test the system of internal controls.
- Identify and implement appropriate corrective actions.

All Employees

- Fulfill the duties and responsibilities established in their performance program.
- Monitor their work to ensure it is done properly and that errors are corrected promptly and accurately.
- Follow Student Association and department policies and procedures.
- Safeguard resources against waste, loss, unauthorized use, and misappropriation.

Report breakdowns in internal control systems to the Administrative Director or Associate Administrative Director.