



OLD DOMINION UNIVERSITY

University Policy

Policy #3010

INTERNAL CONTROLS

Responsible Oversight Executive: Vice President for Administration and Finance
Date of Current Revision or Creation: October 30, 2017

A. PURPOSE

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

B. AUTHORITY

[Code of Virginia Section 23.1-1301, as amended](#), grants authority to the Board of Visitors to make rules and policies concerning 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.

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

[Agency Risk Management and Internal Control Standards \(ARMICS\)](#), a directive issued by the State Comptroller, mandates the use of internal control standards and “best practices” that directly support the Commonwealth’s vision and long-term objectives. This directive requires the implementation and annual assessment of agency internal control systems in order to provide reasonable assurance of the integrity of fiscal processes related to the submission of the transactions to the Commonwealth’s general ledger, submission of financial statement directive materials, compliance with laws and regulations, and stewardship over the Commonwealth’s assets.

C. DEFINITIONS

Accounting Controls – The controls surrounding the activities concerned with authorizing, processing, recording, and reporting transactions.

Administrative Controls – The broad controls surrounding all activities carried out by University employees to accomplish their objectives (e.g., planning, organizing, monitoring productivity, and maintaining quality control).

Internal Controls – A process, affected by an entity’s Board of Visitors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance.

D. SCOPE

This policy applies to all employees and employees of affiliated organizations who are paid through the University. 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 through an operating agreement and include the Foundations, the Community Development Corporation, and the Alumni Association.

E. POLICY STATEMENT

Old Dominion University is committed to maintaining a strong system of internal controls and will have adequate administrative controls and accounting controls in place for all operations and transactions. An effective internal control system helps the University achieve the following:

- Promote orderly, economical, efficient and effective operations.
- Produce quality products and services consistent with the University'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 University; generally an employee's position will determine the extent of his or her involvement.

F. PROCEDURES

Vice Presidents are responsible for ensuring that adequate internal controls are maintained in their respective divisions.

The Assistant Vice President for Finance/University Controller recommends internal control policy for accounting controls, develops and publishes procedures, evaluates internal controls annually to determine operating effectiveness, and issues a statement concerning internal controls to accompany the University's submission of its financial statements to the Department of Accounts. The Assistant Vice President for Finance/University Controller also documents the agency's assessment of internal controls in compliance with ARMICS and the related Comptroller's directive.

Academic unit heads and administrative department heads are responsible for establishing, implementing, documenting, and monitoring internal controls for their respective units to ensure that they exist and are operating effectively. Administrative internal controls can be found in various documents, including but not limited to, Board of Visitors policies, University policies and procedures, faculty and staff handbooks, and the University Undergraduate and Graduate Catalogs. Policies and procedures that establish the accounting internal control framework can be found on the [Office of Finance website](#) and in the [Commonwealth of Virginia Accounting Policies and Procedures \(CAPP\) Manual](#).

When accounting internal controls are identified as not being adequate, appropriate action will be undertaken by the administration to address these deficiencies. Any observed weaknesses in internal control must be brought to the attention of the Office of Finance/University Controller immediately. On an annual basis, the President must certify to the Comptroller of Virginia and the

Auditor of Public Accounts that the University has established, maintained and evaluated its internal control framework.

The University Internal Auditor will independently evaluate the internal control environment and periodically verify management's actions with relation to establishing, documenting, and monitoring of these internal controls.

G. RECORDS RETENTION

Applicable records must be retained for three years and then destroyed in accordance with the [Commonwealth's Records Retention Schedule 102, Series 012103 \(Financial Account Reports\)](#).

H. RESPONSIBLE OFFICER

Assistant Vice President for Finance/University Controller

I. RELATED INFORMATION

[University Policy 1002 – Code of Ethics](#)

[University Policy 1003 – University Responsibility for Compliance](#)

[University Policy 3002 – Authority of Internal Audit Department](#)

