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A presentation by

4 X H H Q ¶ V 8 Q L Y H U V L

Financial Services





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Internal Audit

## Maintaining a Strong Control Environment

Part 2 ± Roles within the Control Environment



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# Elements of an Internal Control Environment



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The Control Environment encompasses a variety of components that, when working together establish the internal control system.

It provides an effective basis by which the  
X Q L Y H U V L W \ | V R S H U D W L R Q V D U H G L U

# Elements of an Internal Control Environment



It includes:

- f* the integrity, ethical values and competence of staff,
- f* management's philosophy and operating style,
- f* the way management assigns authority and responsibility,
- f* direction provided by the Board,
- f* organizational structure,
- f* policy and procedures,
- f* codes of conduct,
- f* definition of responsibilities,
- f* training , recruitment and payroll.

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Everyone in an organization has responsibility for internal control. Each element of the control environment needs to work effectively to ensure objectives are achieved.

All staff must understand their own role in the internal control system, as well as how individual activities relate to the work of others.

# Roles and Responsibilities



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- fBoard of Trustees
- fManagement
- fSupport Services
- fInternal Audit
- fYour Role





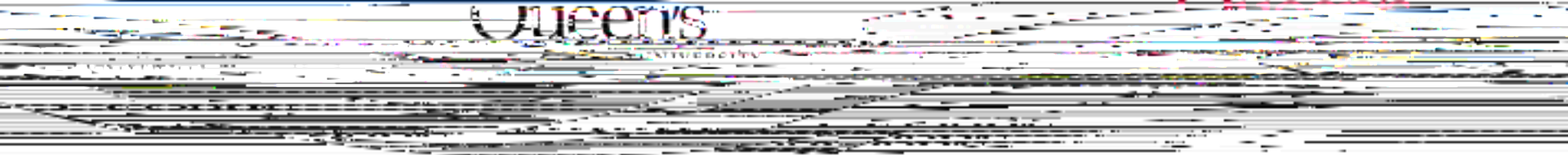
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Board of



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# Management



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Management is accountable to the Board and is responsible for the development and maintenance of internal control policies and procedures to achieve assigned goals in an efficient, effective and economic manner.



Objectives of controls established by management are:

*f* integrity of financial and operating information and reporting,

*f* compliance with policies, plans, procedures, laws, and regulations,

*f* safeguarding of assets,

*f* ensuring resources are employed economically and efficiently.

# Support Services



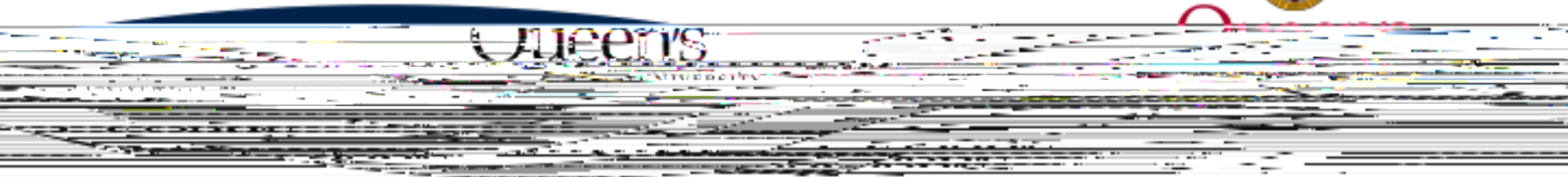
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Central support services (such as ITS, Finance, HR) play a key part in an internal control environment.

These services, through design and dissemination of standardised controls and policies, also provide guidance and clarity by:

- f*creating and applying policies and procedures,
- f*standardizing information and services,
- f*verifying controls, (e.g. through review & authorization),
- f*reporting of performance to management.

# Internal Controls & Internal Audit



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# Internal Audit



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# Control Environment

## Responsibilities Summarized



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Roles with regard to internal control vary depending upon the level of responsibility and the nature of involvement by the individual. the

At 4 X H H Q the Board fulfills this duty by providing leadership and direction to senior managers and reviewing the way they're controlling the business.

Management, in turn, assigns responsibility for establishment of more specific internal control policies and procedures to personnel responsible for specific functions / tasks.

Staff are responsible for making themselves aware of controls and adhering to them in day to day work.

# How You Can Contribute



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All staff and faculty should consider how their control responsibilities are being conducted with regards to the FRQWURO HQYLURQP Handbooks with Home Q V senior personnel ideas for strengthening control.





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To learn more or to review additional

# Training Resources

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