



Policy No. 5.012

Northwest Louisiana Technical Community College

Internal Controls

Original Adoption: October 16, 2019
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Northwest Louisiana Technical Community College shall establish the key areas of internal control and related responsibilities for systems and processes outside of NLTCC's standard business practices.

Readers of NLTCC's financial statements rely on the integrity of NLTCC financial reports and processes that is enhanced by strong internal controls. Management of NLTCC at every level is responsible for designing, implementing and enforcing internal controls appropriate for business processes. Every employee is responsible to know and implement applicable internal controls related to the following five components: control environment, risk assessment, control activities, information and communication and monitoring.

All employees are responsible for the systems and processes that protect NLTCC's fiscal integrity that fall under their duties and responsibilities related to their job functions. As part of this responsibility, all employees must ensure that every process contains adequate internal control activities to help ensure the following key objectives are achieved:

Completeness: All valid transactions for a given period have been processed and individual or groups of transactions have not been omitted or misdirected.

Authorization: Only those transactions that meet NLTCC criteria are processed.

Accuracy: Transactions are accurate in amount, posted to the appropriate Chart Fields, and consistent with the originating transaction data.

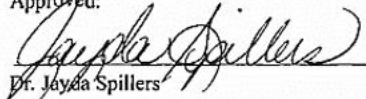
Timeliness: Transactions are recorded within the appropriate reporting period. All transactions must be processed within the applicable accounting period and recorded before there is opportunity for amounts to be misdirected.

Safeguarding of Assets: Access to physical assets and information systems is controlled and properly restricted to protect against misappropriation, misuse, accidental loss, and ensure accountability.

Managerial Review: Sufficient oversight of activities ensures controls are functioning as intended and the detection of unauthorized activities and material errors. Managerial review includes activities taken by the manager to gain assurance that controls are functioning or provide a warning before a malfunction significantly impacts operations. There are a number of tools a manager can employ to achieve this objective, including:

- Reviewing and testing reconciliations to ensure they are performed correctly.
- Reviewing an aging of accounting balances
- Reviewing reconciliations
- Performing balance fluctuation analysis
- Comparing rates of occurrence.

Approved:



Dr. Jayda Spillers

Chancellor