

INTERNAL CONTROLS

The Superintendent, **or designee**, shall establish and maintain effective internal controls over Federal awards that provide reasonable assurance that the District is managing all awards in compliance with applicable statutes, regulations and the terms and conditions of the awards. The District will have a process that provides reasonable assurance regarding the achievement of the following objectives:

- A. effectiveness and efficiency of operations
- B. reliability of reporting for internal and external use, and
- C. compliance with applicable laws and regulations

The internal controls must provide reasonable assurance that transactions are properly recorded and accounted for in order to permit the preparation of reliable financial statements and Federal reports; maintain accountability over assets; and demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The internal controls must also provide reasonable assurance that these transactions are executed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal award, as well as any other Federal statutes and regulations that are identified in the Compliance Supplement. Finally, the District's internal controls must provide reasonable assurance that all Federal funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

The District shall:

- A. comply with Federal statutes, regulations, and the terms and conditions of the Federal awards;
- B. evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of the award;
- C. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; and
- D. take reasonable measures to safeguard protected "personally identifiable information" (PII) and other information the awarding agency or pass-through entity designates as sensitive or the District considers sensitive consistent with applicable Federal, State, local, and tribal laws and District policies regarding privacy and obligations of confidentiality.

PII is defined at 1 C.F.R. 200.79 as “information that can be used to distinguish or trace an individual’s identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual”

However, the definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified.

Applicable Laws, Regulations, and Guidance:

2 C.F.R. 200.61-.62

2 C.F.R. 200.79

2 C.F.R. 200.303

Suggested resources:

- A. “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States;
- B. “Internal Control Integrated Framework” (commonly referred to as the Green Book) issued by the Committee of Sponsoring Organizations of the Treadway Commission;
- C. “Compliance Supplement” issued by the U.S. Office of Management and Budget; and
- D. Internal control guidance issued by the U.S. Department of Education.

To Policy 6/27/16

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