

**SOUTHWEST TENNESSEE COMMUNITY COLLEGE****SUBJECT: Managing Internal Controls****EFFECTIVE DATE: July 1, 2007; Revised April 14, 2022****Purpose**

The purpose of this policy is to set forth the responsibility of management to establish a network of processes that provide oversight and monitoring with the objective of controlling the operations of Southwest Tennessee Community College (“Southwest” or “the College”) in a manner that provides the Tennessee Board of Regents (“TBR”) with reasonable assurance regarding internal controls.

**Policy/Procedure**

Pursuant to Tennessee law, Southwest has established, and will maintain, internal controls regarding:

1. Obligations and costs are in compliance with applicable law;
2. Funds, property and other assets are safeguarded against waste, loss, unauthorized use or misappropriation; and
3. Revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accurate and reliable financial and statistical reports and to maintain accountability over the assets.

Southwest will annually perform a management assessment of risk that incorporate the internal controls listed above. In accordance with Tennessee law, the College seeks to provide reasonable assurance of:

1. Accountability for meeting program objectives;
2. Promoting operational efficiency and effectiveness;
3. Improving reliability of financial statements;
4. Strengthening compliance with laws, regulations, rules, and contracts and grant agreements; and
5. Reducing the risk of financial or other asset losses due to fraud, waste and abuse.

### Internal Control Responsibility

Southwest administrators are charged with the responsibility of establishing a network of processes that provides oversight and monitoring with the objective of controlling the College's operations in a manner that provides TBR reasonable assurance that:

1. Data and information published either internally or externally are accurate, reliable, and timely.
2. The actions of employees are in compliance with the organization's policies, standards, plans and procedures, and all relevant laws and regulations.
3. The actions of students and employees related to Athletics comply with all relevant laws and regulations, policies, plans, and procedures, including but not limited to, accreditation standards set forth by applicable accrediting bodies such as the National Junior College Athletic Association (NJCAA) and the Tennessee Community College Athletic Association (TCCAA).
4. The organization's resources (including its people, systems, data/information bases, and customer goodwill) are adequately protected.
5. Resources are acquired economically and employed profitably.
6. Quality business processes and continuous improvement are emphasized.
7. The College's plans, programs, goals, and objectives are achieved.

### Assessment and Control Process

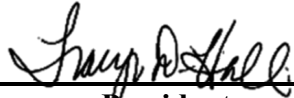
Assessing risk and implementing controls are a function of management and are an integral part of the overall process of managing operations. As such, it is the responsibility of managers at all levels of the organization to:

1. Identify and evaluate the exposures to loss that relate to their particular sphere of operations.
2. Specify and establish policies, plans, operation standards, procedures, systems, and other disciplines to be used to minimize, mitigate, and/or limit the risks associated with the exposures identified.
3. Establish practical controlling processes that require and encourage employees to carry out their duties and responsibilities in a manner that achieves the control objectives outlined herein.

4. Maintain the effectiveness of the controlling processes they have established and foster continuous improvement to these processes.

Source of Policy: TCA 9-18-102; 4-35-101 Administrator: President

Related Policy: 1:00:00:00/5; 5:00:00:01/51 TBR Policy/Guideline: 4.01.05.00; 8.01.00.00

Approved:  Date: April 14, 2022  
President