

**NORTHWEST FLORIDA STATE COLLEGE**  
**Board Policy 6Hx17-4.03**

TITLE:	<b>INTERNAL CONTROL POLICY</b>
REFERENCE:	
HISTORY:	Local Language, New Policy 6/06

**Local Language**

The college administration has primary responsibility for establishing and monitoring all aspects of the college's fraud risk-assessment and prevention activities. The Vice President of Administrative Services and the Associate Vice President of Business Services are responsible for the review of business practices within all departments of the college to insure compliance with the Employee Handbook, District Board of Trustees' Policies, the State Accounting Manual for Florida's Public Community Colleges, State Board of Education Rules and Florida Statutes.

**Purpose:**

Northwest Florida State College is and wishes to be seen by all as being proactive in reducing fraud opportunities by (1) identifying and measuring fraud risks, (2) taking steps to mitigate identified risks, and (3) implementing and monitoring appropriate preventive and internal controls and other deterrent measures.

**Scope:**

This administrative procedure is limited to financial and asset related fraud within the college.

In order to minimize the risk of fraudulent activities affecting the Financial Statement presentation of Northwest Florida State College, high-risk areas have been identified and steps planned to safeguard the assets of the College. The majority of transactions identified as high-risk are automated and access to various input and approval screens are limited and controlled through the use of user id, password, and access codes. In addition, payroll system dual controls prevent changes in position and pay rates between Human Resources and Payroll.

The College maintains adequate insurance to ensure that theft, damage, or misuse of College property would not materially affect the financial statements. Management has considered all the areas identified in Appendix T to be areas of risk and has set stringent internal controls. By segregating duties, this reduces the likelihood that errors (intentional or unintentional) will remain undetected by providing for separate processing by different individuals at various stages of a transaction and for independent reviews of the work performed. Management continuously seeks and reviews new procedures to enhance internal controls at the College.

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See Appendix T for Procedures