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INTERNAL CONTROLS

Effective: July 1, 2004

Last Updated: September 13, 2007

Considerations

The significance of a department's internal controls for program, administrative and fiscal operations cannot be overstated. Properly utilized, documented, and updated, internal controls assist managers in protecting the Commonwealth's assets and maintaining the public trust. Departments not in compliance with internal control requirements are subject to potential penalties.

Policy

The Internal Control Law, Chapter 647 of the Acts of 1989, requires that departments develop internal control plans in accordance with guidelines published by the Office of the Comptroller and evaluate them annually, or more often as conditions warrant. The Comptroller has issued an internal control guide to provide assistance for department managers and staff in developing internal controls and internal control plans.

The Internal Control Guide

The *Internal Control Guide* discusses Internal Controls and the role managers play in developing, implementing and monitoring them. This office is issuing a revised Internal Control Guide for two reasons: first) to streamline the content of the existing manuals, and second) to incorporate the principles of ERM that tie risk to strategic planning. These principles introduce the concepts of broad-based objective setting, event identification and risk response. CTR recommends that Department Heads and Internal Control Officers encourage all managers in their departments take the half-hour to an hour needed to read the material.

An effective Internal Control Plan is a high level, department-wide summarization of risks and controls for all of its business processes. It is supported by lower level detail, communicated throughout the department, and continuously monitored and updated.

Internal Controls

See related procedures linked below.

Information Sources and Attachments

- Related Procedures – revised Internal Control Guide:
- [Internal Control Guide](#)

- Related Policies -
- Legal Authority - [Chapter 647 of the Acts of 1989](#)
- Attachments – None
- Links - None
- Contacts – [CTR Solution Desk](#)

REVISIONS

- **September 13, 2007:** Replaced the Internal Control Guide.