



INTERNAL CONTROL POLICY

CROW WING COUNTY BRAINERD, MINNESOTA

**Adopted by County Board
September 10, 2013
Amended December 13, 2022**

Our Vision: Being Minnesota's favorite place.

Our Mission: Serve well. Deliver value. Drive results.

Our Values: Be responsible. Treat people right. Build a better future.

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I. INTERNAL CONTROL POLICY STATEMENT OF PURPOSE

The purpose of this policy is to guide the County in the maintenance of a system of internal controls in order to safeguard its assets against loss, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

II. SCOPE

This Internal Control Policy is effective County-wide.

III. CONTROL ENVIRONMENT

The County shall maintain an environment conducive to good internal control. The County recognizes that the control environment provides the discipline and structure to help the County achieve its objectives.

IV. RESPONSIBILITY

Working in concert with the County Board, County Administrator, and department directors, Financial Services is responsible for designing appropriate financial internal controls for departments, and departments are responsible for implementation. Financial Services shall ensure that a good faith effort is made to implement all independent auditor recommendations pertaining to internal controls. Financial Services will administer an “in-house risk assessment” program at least annually to systematically review and monitor internal control procedures and compliance with federal and state regulatory requirements pertaining to internal controls or financial reporting.

V. OBJECTIVES

Internal control comprises the policies, practices, and procedures that management puts into place to provide reasonable, but not absolute, assurance that the County will achieve the following objectives:

- **Operations** – Effectiveness and efficiency of operations
- **Reporting** – Reliability of financial reporting
- **Compliance** – Compliance with applicable laws and regulations

Each individual objective can be grouped into one or more of the three categories of objectives. The County has determined the five elements of a comprehensive internal control framework as developed by the Committee of Sponsoring Organizations of the Treadway Commission on Fraudulent Financial Reporting (COSO) to be essential in the development of the County’s internal control system:

- **Element 1:** Maintain a favorable control environment.
- **Element 2:** Assess control risks on an ongoing basis.
- **Element 3:** Establish and maintain effective control-related policies and procedures.
- **Element 4:** Have adequate communication to support internal control.
- **Element 5:** Monitor the effectiveness of control-related policies and procedures as well as the resolution of potential problems identified by controls.

VI. INTERNAL CONTROL POLICY ADOPTION

Internal Control Policy

The County's Internal Control Policy shall be adopted by resolution of the County Board. The policy shall be reviewed on a biennial basis by the Budget Committee and any modifications made thereto must be approved by the County Board.