**Internal Control Definitions**

**Internal Controls**: Internal Controls are an integral part of each system used to regulate and guide operations. Internal controls are designed to promote performance leading to the effective accomplishment of an organization's goals and objectives.

**Internal Control Systems**: Internal controls with a common purpose are grouped together and referred to as internal control systems. Basically, internal control systems are the laws, policies and procedures that affect the daily operations and management of SUNY-OSWEGO.

**Reasonable Assurance**: All internal control systems must provide reasonable assurance that the objectives of the campus will be met in a cost effective manner. Reasonable assurance provides sufficient confidence that internal controls are functioning to ensure the organization will meet its goals and objectives.

**Preventative Controls**: Preventative controls are designed to keep errors or irregularities from occurring in the first place. They are built into internal control systems and require a major effort in the initial design and implementation stages. However, preventative controls do not require significant ongoing investments.

**Detective Controls**: Detective controls are designed to detect errors and irregularities, which have already occurred and to assure their prompt correction. These controls represent a continuous operating expense and are often costly, but necessary. Detective controls supply the means with which to correct data errors, modify controls or recover missing assets.

**Internal Control Standards**  
Internal controls must meet basic standards to ensure that adequate internal control systems are established and maintained. There are two types of internal control standards: general and specific. General internal control standards describe what we want to achieve while specific internal control standards tell us how to achieve those objectives. Below are examples of general and specific internal control standards:

### *General Standards*

* **Reasonable Assurance**: Internal control systems should provide reasonable assurance that the objectives of the organization will be accomplished.
* **Supportive Attitude**: Managers and employees should maintain and demonstrate a positive and supportive attitude toward internal controls at all times.
* **Competent Personnel**: Managers and employees should have personal and professional integrity and maintain a level of competence that allows them to accomplish their assigned duties, as well as understand the importance of developing and implementing good internal controls.
* **Control Objectives**: Internal control systems should help to assure compliance with laws and that the campus meets its goals and objectives.
* **Control Techniques**: These are the means to accomplishing the objectives of the internal control systems (i.e. Specific Internal Control Standards).

### Specific Standards

* **Documentation**: Adequate records of all internal control systems, transactions and events should be maintained.
* **Records**: All transactions and events should be recorded promptly and accurately.
* **Authorization**: All transactions and events should be authorized and executed by persons within the scope of their authority.
* **Structure**: Key duties and responsibilities in authorizing, processing, recording and reviewing transactions should be separated.
* **Supervision**: Adequate supervision must be provided to ensure that internal control objectives are achieved.
* **Security**: Access to and accountability for assets and records should be limited to authorized individuals.