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| **INTERNAL CONTROLS NEWSLETTER** | | |
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**Monitoring Activities**

In my previous newsletter, we discussed the Control Activities – which need to operate throughout the Agency in order for Internal Controls to be effective. Now we’ll move on to the next component of Internal Control – Monitoring Activities.

Monitoring is defined by the Committee of Sponsoring Organizations (COSO) as “Internal control systems need to be monitored – a process that assesses the quality of the system’s performance over time. This is accomplished through ongoing monitoring activities, separate evaluations or a combination of the two. Ongoing monitoring occurs in the course of operations. It includes regular management and supervisory activities, and other actions personnel take in performing their duties.”

So what does that mean? It essentially means a process wherein the effectiveness of internal controls are assessed by activates that are generally built into the daily operational activities of the Agency. Monitoring activities can vary widely, ranging on a number of difference processes and procedures.

**Types of Monitoring Activities**

* Evaluating an individual’s activities on a periodic basis
* Internal audit or internal review procedures that evaluate personnel or functions throughout the Agency
* Any automated system of checks and balances, such as batch processing, reconciliations, quality assurance checks, or system error checks
* Correspondence with 3rd party entities (i.e. external audit, OSC audit, etc.)
* Any additional safeguards deemed necessary.

From the data obtained, management can assess the results and take corrective actions. This is done on an ongoing basis through vulnerability assessments, internal reviews and ICO reviews.



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As it relates to Ethics and Integrity, Internal Controls are the responsibility of everyone in the Agency. If you have any questions, concerns or feel that there is an area where controls can be improved – do not hesitate to contact me!

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