

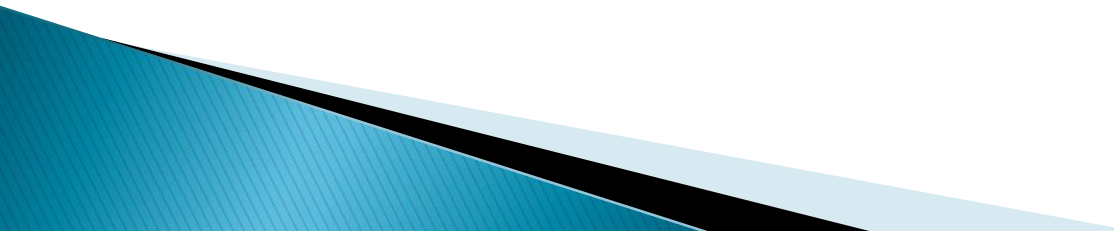
Annual Internal Control Certification Update

NYSICA
February 23, 2012

Tom Lukacs
Division of the Budget



Annual Internal Control Certification Update

- ▶ No Changes in Form or Reporting Information
 - ▶ Due Monday, April 30, 2012
 - ▶ B-350 Updated Agency List
 - Add: ABO, OILS and SFS
 - Merge: DFS & DOCCS
 - Consolidate: CPB into DOS
 - Delete: GORR
 - Rename: CPI to JCOPE
- 

2011-12 INTERNAL CONTROL CERTIFICATION

Agency Name

Agency Head

Agency Address

Telephone Number

Name of Internal Control Officer

Telephone Number

Email Address of Internal Control Officer

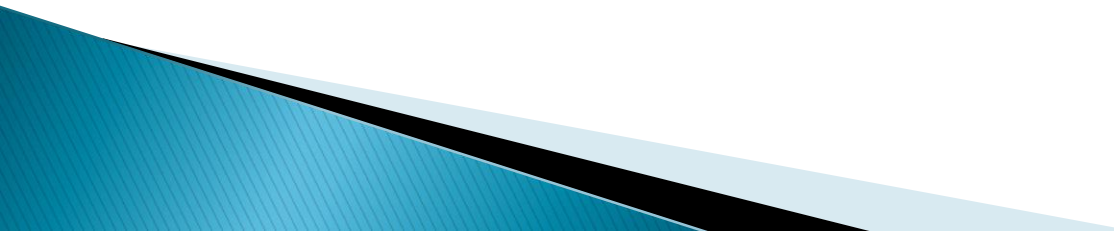
I hereby certify the agency is:

- ☐ **Fully Compliant (Full compliance with all provisions)**
- ☐ **Partially Compliant (Partial compliance with some or all provisions)**
- ☐ **Not Compliant (Noncompliance with all provisions)**

with the New York State Governmental Accountability, Audit and Internal Control Act.

This certification is supported with detailed justification of actions taken and/or outlines specific actions needed to address areas of partial compliance or noncompliance as described in the preceding Internal Control Summary.

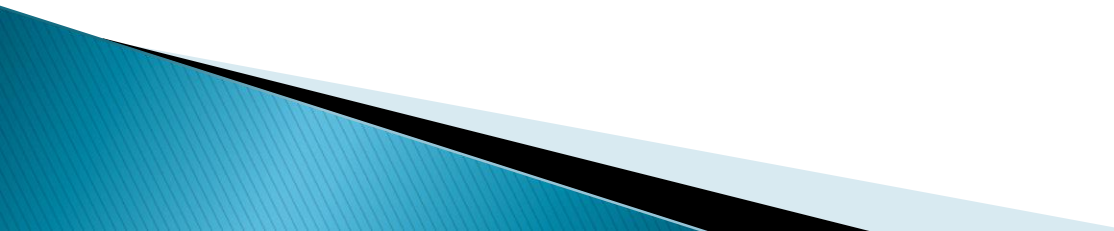
IC Reporting Requirements

- A. Establish and maintain guidelines for a system of internal controls for the agency.**
 - B. Establish and maintain a system of internal controls and a program of internal control review for the agency.**
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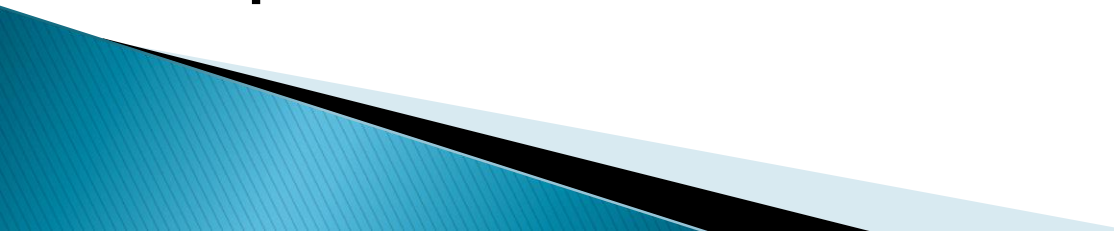
IC Reporting Requirements

- c. Make available to each officer and employee of the agency a clear and concise statement of the generally applicable management policies and standards with which the officer or employee of such agency shall be expected to comply, along with detailed policies and procedures the employees are expected to adhere to in completing their work.**

IC Reporting Requirements

- D. Designate an Internal Control Officer (ICO), who shall report to the head of the agency or to their designee within the executive office, to implement and review the internal control responsibilities established pursuant to this Item. The designation of the ICO should be communicated to all employees.**
- 

IC Reporting Requirements

- E. Implement education and training efforts to ensure that officers and employees have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques.**
 - F. Periodically evaluate the need to establish, maintain or modify an internal audit (IA) function. If an IA function exists, it should operate in accordance with generally accepted professional standards for internal auditing.**
- 

IC Reporting Requirements

- ▶ Requirements A, C & D (and F w/out IA)
 - The Easy Part – Do once and done (But, periodically refresh/update w/organization/management change)
- ▶ Requirements B & E (and F with Internal Audit)
 - The Hard Part – Requires ongoing work with continuous monitoring and reporting.

Annual Internal Control Certification Update

▶ Characteristics of Good Reports

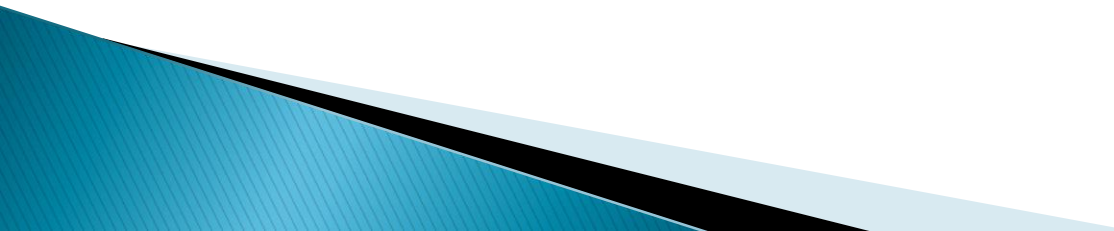
1. Fresh – Updated, reflect recent activity/new areas
2. Detailed – Describe Process & High-level results
3. Ongoing – Demonstrated effort throughout year

▶ Characteristics of Not-So Good Reports

1. Stale – Prior-year report – Changing only dates
 2. Derailed – Disorganized/Disconnected/Disjointed
 3. Harried – Last minute flurry to meet reporting
- 

Question & Answer

Speak Now
or
Forever Hold Your
Peace!



Internal Controls Management Concepts & Related Yogi-isms

“The Future...Ain’t What It Used
To Be!”



**“It’s tough making
predictions, especially
about the future!”**

Vulnerability Assessment



**“You Can Observe A lot
Just By Watching!”**

Internal Control Review



“Always go to other people’s funerals; otherwise they won’t go to yours.”

Inherent Risk



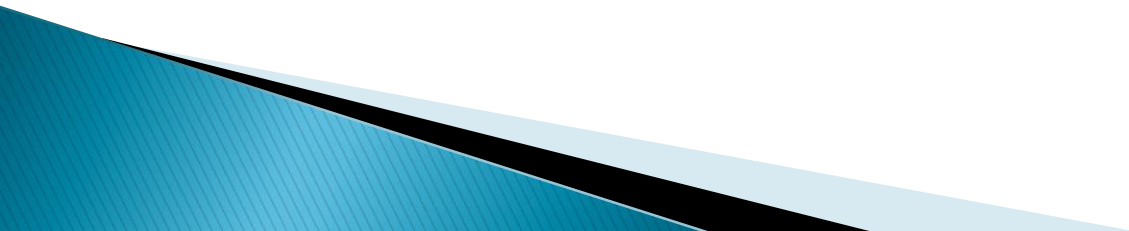
“He must have made that before he died!” OR
“I always thought the record would stand until it was broken.”

Testing



“Pair up in threes.”

Random Sampling???



“If you ask me a question I don’t know, I’m not going to answer!”

Low Survey Response



“I knew I was going to take the wrong train, so I left early.”

Corrective Action Plan



**“If the world was
perfect, it wouldn’t be.”**

Risk Management



**“Half the lies they tell
about me aren’t true!”**

Tone at the Top



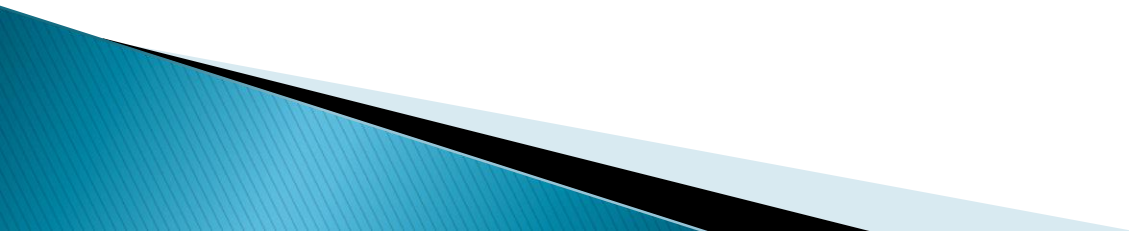
**“It ain't the heat; it's the
humility.”**

Management Attitude???



“I made a wrong mistake!”

Material Weakness!!!



"Baseball is 90% mental,
the other half is
physical."

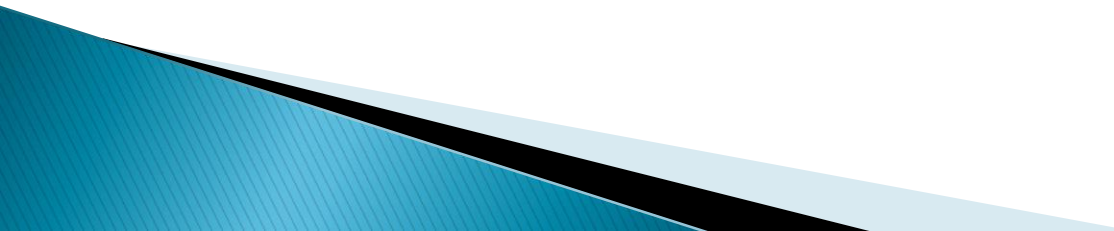
Compensating Control



**“If you come to a fork
in the road, take it!”**

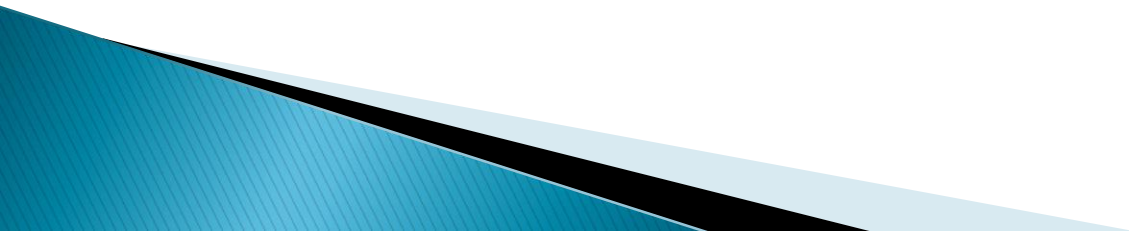
Compliance Roadmap

**OR “We're lost, but we're
making great time!”**



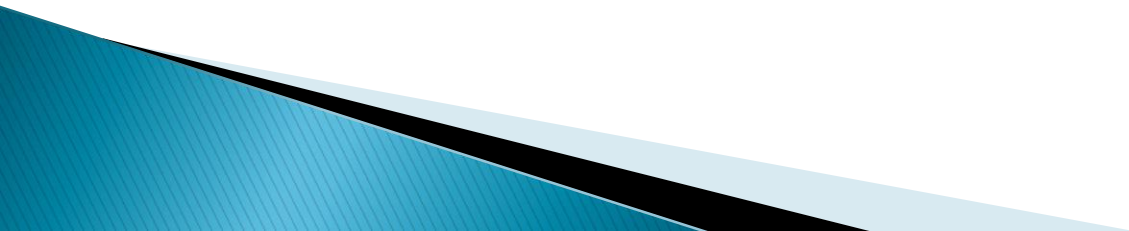
Are We There Yet?

“It ain’t over ‘til it’s over!”



“We have deep depth.”

Enterprise View



**“If you don’t know
where you are going,
you will wind up
somewhere else!”**

Strategic Planning



Performance Measures

“If you don't set goals, you can't regret not reaching them.”



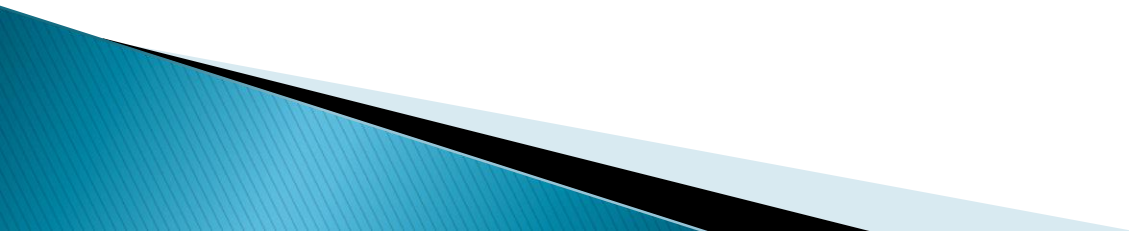
**“The similarities
between my father and
me are completely
different.”**

Benchmarking???



Best Practice

“If you can’t copy him,
don’t imitate him.”



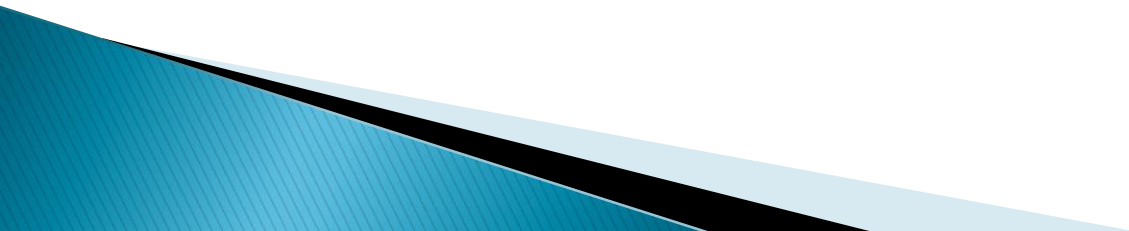
Outcome-Focused

“Slump? I ain't in no slump. I just ain't hitting.”



Reinventing the Wheel

“It’s like Déjà–vu all over again.”



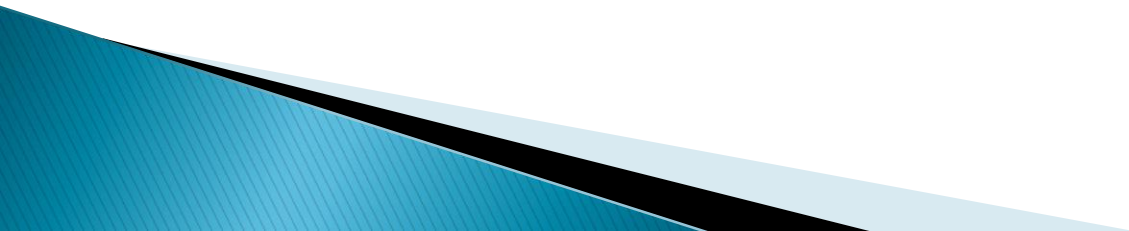
**“In theory there is no
difference between
theory and practice.....
In practice, there is.”**

Reinventing Government



Core Function

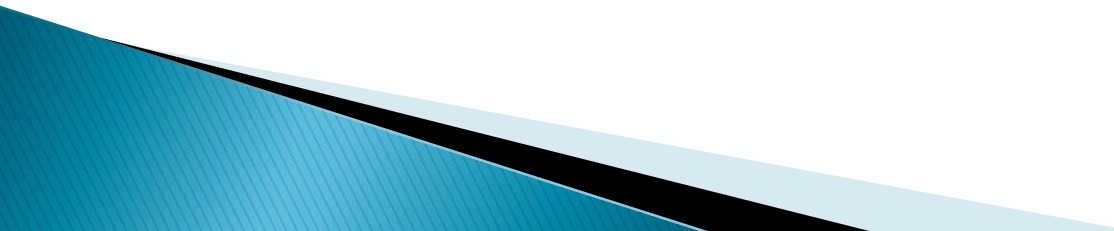
“I’d give my right arm to
be ambidextrous!”



Doing More With Less

“A nickel isn't worth a dime today.” OR

“You give 100% in the first half of the game and if that isn't enough, in the second half you give what's left.”



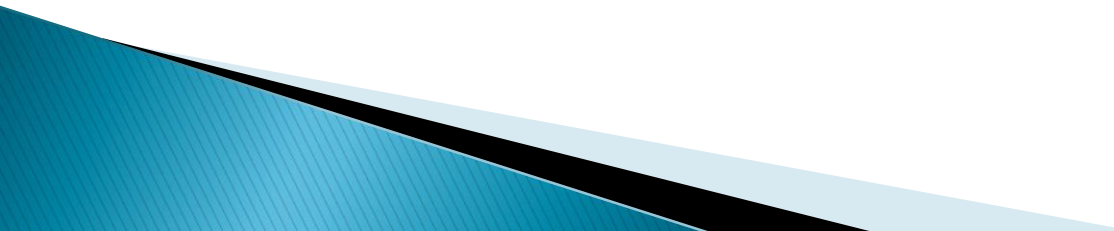
Non-Essential Purchase

“Why buy good luggage? You only use it when you travel.”



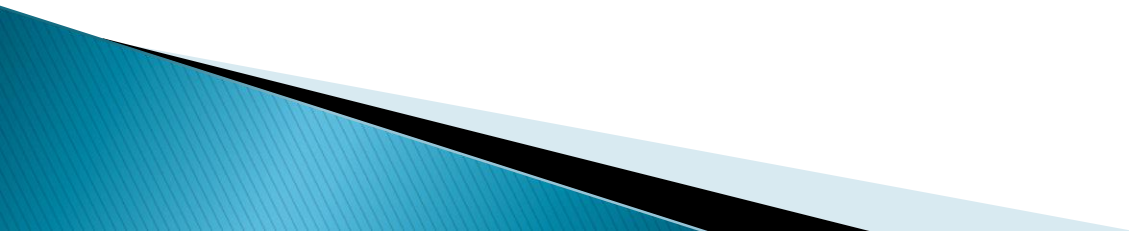
Business Continuity Plan

“Nobody goes there anymore, it’s too crowded!”



Stimulus Funds

“They give you cash, which is as good as money.”



Confidentiality

“Never answer an anonymous letter.”



Thank You

“I want to thank you for making this day necessary.”

“I didn't really say everything I said.”



Thank You

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