



Internal Control Tips from the Internal Audit Department

Who is Responsible for Internal Controls?

Everyone in the district is responsible according to their respective roles and responsibilities. From identification and evaluation of risk, to establishment of appropriate procedures and processes to monitoring and assessing control effectiveness – everyone has a role to play!

The **three lines of defense** model describes everyone’s relative placement in an integrated system to help control risks and foster strong internal controls.

The **first line of defense** includes all of the campus, departmental and operational staff that directly manage and supervise employees involved in the daily delivery of programs, services, activities and operations.

The **second line of defense** includes managers and executive management that collectively monitor that “things are going according to plan” in the daily activities, services, programs and operations being delivered in all areas of the school district. The second line is ultimately responsible for the design, monitoring and modifications of internal controls developed by and followed by front-line supervisors and managers, in addition to advising and facilitating risk management activities.

The **third line of defense** includes internal audit, external audit and regulatory oversight entities that provide independent assurance about the effectiveness of the district’s internal controls and risk management processes.

The effectiveness of the three lines of defense depends upon open communication channels to ensure issues or risks involving strategies, academics, operations, finances and compliance are actively detected and communicated across the district. As issues or risks are detected, priorities for mitigation should be assessed promptly to evaluate the potential likelihood of occurrence and its impact to the district.

Everyone has a role in helping ensure “things are going according to plan.”