

## 3400POL Internal Controls

---

Effective Date: July 2015

Revised: December 2016

This internal controls policy is implemented to ensure that the Consortium and its service providers adhere to the 2 CFR 200 Omni-Circular that governs federal fund accounting.

Internal control is the process designed to ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws and regulations. Safeguarding assets against theft and unauthorized use, acquisition, or disposal is also part of internal control

An internal control used by the Consortium is the reconciliation of fund accounts with the revenue department or bank. In the case of Kitsap County Department of Human Services, the bank reconciliation is done between the Department and the County Treasurer's Office. The procedure includes accounting for all check numbers used, identifying outstanding checks, investigating all checks outstanding 30 days or more and voiding outstanding checks after a reasonable period.

The Consortium and its providers are non-Federal entities that receive federal funds. As such they will comply with federal guidelines and regulations. The pertinent federal guideline in this case is the 2 CFR 200.300 which states:

The non-Federal entity must:

- a. Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- b. Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
- c. Evaluate and monitor the non-Federal entity's compliance with statute, regulations and the terms and conditions of Federal awards.
- d. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- e. Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or passthrough entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state, and local laws regarding privacy and obligations of confidentiality.

### REFERENCES

Cost Principles, General Provisions, Code of Federal Regulations Title 2, Subtitle A, Chapter II, Part 200, [2 CFR §200.400](#)

Post Federal Award Requirements, Statutory and national policy requirements, Code of Federal Regulations Title 2, Subtitle A, Chapter II [Part 200, Subpart D](#)