



**WHAT ARE CONTROL OBJECTIVES?**

*A Control Objective is a written statement related to the function which focuses on minimizing risks, sets function-specific performance standards and directs protection of resources.*

National bodies such as the American Institute of Certified Public Accountants, US General Accounting Office and major consultant firms have compiled a growing list of internal control performance standards. One such list (from **Ernst & Young**) is included in this Guide (as *Appendix A*), but it could all be summarized simply:

***We must do our job responsibly*** - effectively, efficiently and legally. This includes protecting the State's assets, providing services to clients according to recognized standards, minimizing the State's exposure to lawsuit for improper or inadequate activities, operating the agency without bias or favoritism, investing resources wisely in activities which fulfill our mission.

**Internal control objectives** strengthen the management process by developing performance criteria by which each function is carried out in a responsible manner.

The following examples of internal control objectives pertinent to major functions are not intended to be exhaustive, but rather offer several useful examples of control objectives relevant to a wide range of agency functions:

<b>FUNCTION</b>	<b>INTERNAL CONTROL OBJECTIVE</b>
<b>Personnel Recruitment</b>	To recruit only qualified staff, in keeping with Civil Service Law rules and regulations, Affirmative Action policies and agency policies regarding verification of credentials.
<b>Payroll</b>	To ensure that salary, wages and benefits are incurred only for work duly authorized and actually performed.
<b>Inventory</b>	To safeguard physical assets which support agency mission; to record inventory movement correctly; to prevent loss of materials/ equipment or promptly detected such loss.
<b>Purchasing</b>	To ensure that goods or services are purchased with proper authorization and in compliance with legal requirements.
<b>Capital Construction</b>	To verify that new construction and building repairs meet all applicable building/fire codes
<b>Vehicle Management</b>	To ensure that all vehicles are maintained in safe working order, inspected annually, and operated only by authorized, licensed staff.



## Internal Control – More Than a Good Idea – It’s Also the Law!



<b>Surplus Inventory</b>	To ensure that overstock inventory (supplies and equipment) is identified periodically, and transferred to other /more suitable offices/facilities.
<b>Computer Security</b>	To ensure appropriate precautions are taken for fire, flood and other hazards. To ensure that access to data files is limited to authorized users
<b>Physical Restraint</b>	To verify that direct care staff are trained in restraint techniques and procedures before physical encounter with clients.
<b>Universal Precautions</b>	To ensure direct care staff are trained in and use universal precautions when dealing with client during accidents, illness or routine health care.
<b>Equipment Safety</b>	To ensure that power tools are maintained in keeping with manufacturer's specifications and OSHA standards, and supervised to minimize accidents to clients or staff.
<b>Contraband Control</b>	To ensure that facility practices are followed to prevent client access to legal drugs, alcohol, tobacco products, weapons and inappropriate amounts of cash.