

**ADMINISTRATIVE
DIRECTIVE**

Administrative Directive Title: Internal Controls	AD Number: 2.700.2	Adopted: December 2023
Policy References: Board Policy 2.700 – Accounting System	Revised:	

1 Internal controls are defined as the plan of organization and systemization of processes and
 2 procedures adopted by the district to safeguard its assets, check the accuracy and compliance of
 3 its accounting and reporting data, and promote operational efficiency. The five components of the
 4 district’s internal controls will include: (1) a control environment; (2) risk assessment processes;
 5 (3) control activities; (4) information and communication systems; and (5) monitoring processes.

6 The Finance Director shall be responsible for developing an internal control manual that applies
 7 the five components listed above to define day-to-day operations that safeguard assets, deter and
 8 detect errors and theft, and ensure proper accounting of transactions.

9 All internal controls used by the district will be in compliance with State and federal laws, rules,
 10 regulations, and Board policies, as well as align with the district’s Uniform Grant Guidance.

11 The Assistant City Attorney will ensure that all internal controls are reviewed and revised as
 12 needed to align with district practices and federal and State law and regulations.

Legal References
TCA 49-2-301