



Internal Control Overview



Policy A-IC-2

June 29, 2006
Revised Jan 30, 2012

Purpose: To identify those policies that exist to demonstrate accountability, ensure efficient financial management, and assure security of resources. The Three Rivers District Health Department shall have effective Internal Controls in place to protect public funds, public property, and provide assurance to the citizens of Three Rivers District that operations are accomplished in accordance with legal, regulatory, ethical and generally accepted accounting practices.

Policy: The Three Rivers District Health Department adheres to the policies and procedures mandated by the Administrative Reference for Local Health Departments in Kentucky. The Three Rivers District Health Department shall meet all applicable federal regulations governing the programs participated in.

Procedure: The Administrative Regulation [902 KAR 8:165](#), Section 3, Govern Internal Control Procedures, and Section 4 addresses Incorporation by Reference.

- I. The Three Rivers District Health Department adheres to the policies and procedures outlined in the “Administrative Reference for Local Health Departments in Kentucky” and its collective updates and changes. Three Rivers District Health Department will adhere to revisions of this reference and new and revised KAR/KRS’s. The ADMINISTRATIVE REFERENCE creates uniformity in operations of Kentucky’s Local Health Departments by presenting a standard chart of accounts, a cash accounting system, and budgeting processes that are mandated by state regulations.
- II. The Three Rivers District Health Department meets all applicable federal regulations governing programs it operates.
- III. The Internal Control Program has four goals. Each of the individual policies that make up the Internal Control Program will be developed and revised keeping these goals in mind. The program is meant to:
 - A. Safeguard the assets of the Health Department;
 - B. Promote operation efficiency by serving as a guidebook;
 - C. Check accuracy and reliability of systems data; and
 - D. Ensure adherence to prescribed managerial policies.

- IV. Surveillance of internal procedures allows for proper receipt of revenues and proper payment of all necessary, approved expenditures. It also helps prevent and detect errors, fraud, or unnecessary losses.
- V. The LHD Internal Control Program is a subset of the general policies and procedures of the Three Rivers District Health Department. The policies within this program will be reviewed annually, revised as needed, and will be presented to the District Board of Health for approval. The LHD Internal Control Program consists of all policies utilizing the numbering convention __-IC-__, and may be found in any subset of policies, whether administrative, programmatic, or otherwise.
- VI. Departmental managers/supervisors of each department will have the primary responsibility for ensuring internal controls are performed and complied with in their respective areas. Controls may be performed by the manager/supervisor directly or by his/her designee in-line with policy, A-IC-4, Segregation of Key Duties and the accompanying accountable role matrix as found on form (A-IC-2 Form).

District Director **Date**

Chairperson, Three Rivers District Board of Health **Date**