



Management Control Policy

Policy #:	GU005.1
Policy Type:	University
Responsible Executive:	University President
Responsible Office:	President's Office
Originally Issued:	October 29, 2015
Latest Revision:	August 1, 2023
Effective Date:	August 1, 2023

I. Policy Statement

The University of Louisiana Monroe's ("University" or "ULM") Management Control Policy governs the approach management uses to establish and maintain an effective system of internal controls. Internal controls are designed to assure that the University meets its mission; promote performance leading to effective accomplishment of objectives and goals; safeguard assets; provide accurate and reliable financial and other key data; promote operational efficiency and economy; and encourage adherence to applicable laws, regulations, and prescribed management policies and practices.

II. Purpose of Policy

The purpose of the Management Control Policy is to ensure the University has a system of accountability for and oversight of its operations, and to assist the University in reaching its goals and meeting its objectives.

III. Applicability

This policy is applicable to all University employees, ULM affiliate organization employees, and individuals affiliated with the University by contract (including non-employees, such as vendors and independent contractors).

IV. Definitions

Management: the University of Louisiana System Board of Supervisors, University President, Vice Presidents, senior management team (e.g., ULM Executive Council, ULM Administrative Council), college deans, directors, department heads, supervisors, and all other employees responsible for designing and implementing effective internal controls.

Internal Control: any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes, and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

Control Processes: the policies, procedures (both manual and automated), and activities that are part of a control framework, designed and operated to ensure that risks are contained within the level that an organization is willing to accept.

Internal Audit Activity: the department, division, team of consultants, or other practitioner(s) that provides independent, objective assurance and consulting services designed to add value and improve an organization's operations.

University of Louisiana System Board of Supervisors: the highest level governing body of the University of Louisiana System (“System or “Board”) charged with the responsibility to direct and/or oversee the University’s activities and hold ULM management accountable.

V. Policy Procedure

Management

Management is charged with the responsibility for establishing a network of processes with the objective of controlling the operations of the University (i.e., *control processes*) in a manner which provides the University of Louisiana System Board of Supervisors reasonable assurance that:

- Data and information published either internally or externally is accurate, reliable, and timely.
- The actions of directors, officers, and employees are in compliance with the University’s policies, standards, plans and procedures, and all relevant laws and regulations.
- The University’s resources are adequately protected.
- Resources are acquired economically and employed profitably and quality business processes and continuous improvement are emphasized.
- The University’s plans, programs, goals, and objectives are achieved.

Controlling, or establishing *internal controls*, is a function of *management* and is an integral part of the overall process of managing operations. As such, it is the responsibility of managers at all levels of the University to:

- Identify and evaluate the exposures to loss, which relate to their particular sphere of operations.
- Specify and establish policies, plans, and operating standards, procedures, systems, and other disciplines to be used to minimize, mitigate, and/or limit the risks associated with the exposures identified.
- Establish practical controlling processes that require and encourage employees to carry out their duties and responsibilities in a manner that achieves the five control objectives outlined in the preceding paragraph.
- Maintain the effectiveness of the controlling processes they have established and foster continuous improvement to these processes.

Internal Audit Activity

The *internal audit activity* is charged with the responsibility for ascertaining that the ongoing processes for controlling operations throughout the University are adequately designed and functioning in an effective manner. The internal audit activity helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. It is also responsible for reporting to management and the audit committee of the Board of Supervisors on the adequacy and effectiveness of the University’s systems of internal control, together with ideas, counsel, and recommendations to improve the systems.

University of Louisiana System Audit Committee

The University of Louisiana System *audit committee* provides oversight to protect and strengthen the System’s audit processes, compliance with laws and regulations, internal controls, enterprise risk management, and ethics.

The audit committee is responsible for monitoring, overseeing, and evaluating the duties and responsibilities of the internal audit activity, management, and the external auditors as related to the University's processes for controlling its operations. Finally, the audit committee is responsible for reporting to the full Board of Supervisors all significant matters pertaining to the University's controlling processes.

VI. Enforcement

The University President is responsible for enforcement of this policy.

VII. Policy Management

Upon adoption, the University President shall be the Responsible Executive for the management of this Policy.

VIII. Exclusions

N/A

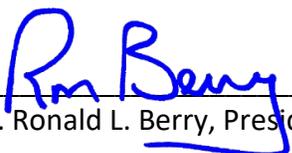
IX. Effective Date

The effective date of this Policy is the date it is adopted and signed by the University President.

X. Adoption

This policy is hereby adopted on this 1st day of August 2023.

Approved by:



Dr. Ronald L. Berry, President

XI. Appendices, References and Related Materials

References:

- University of Louisiana Monroe Internal Audit Manual:
<https://webservices.ulm.edu/policies/download-policy/661>
- University of Louisiana System Audit Committee Charter:
<https://www.ulsystem.edu/wp-content/uploads/2022/09/Audit-Items.pdf>
- International Standards for the Professional Practice of Internal Auditing:
<https://www.theiia.org/en/content/guidance/mandatory/standards/international-standards-for-the-professional-practice-of-internal-auditing/>

XII. Revision History

Original adoption date: October 29, 2015

Revised October 12, 2016: Revisions include placing paragraph headers within the policy and updating the oversight responsibilities of the University of Louisiana System Finance Committee.

Revised August 1, 2023: Revisions include placing the policy in the new policy format and updating language to include the oversight responsibilities of the University of Louisiana System Audit Committee.