

Volume No. 1—Policies & Procedures	TOPIC NO	10305
Function No. 10000—Overview	TOPIC	INTERNAL CONTROL
Section No. 10300—Internal Control Guidance	DATE	April 2011

Appendix A – Certification of Internal Control

This appendix contains sample certifications for agency signature. If any special circumstances arise, the agency head should modify the certification accordingly. The Agency Head and Chief Fiscal Officer who sign the certification must be the same persons whose names and signatures appear on the “Authorized Signatories” form submitted to DOA.

Service Provider Agency Clause

The (Primary Agency Name) utilizes (Service Provider Agency Name) as a service provider for the following fiscal processes that are significant to (Primary Agency Name):

We have received assurance from (Service Provider Agency Name) that they have adequately assessed the effectiveness of their internal control in accordance with the *Agency Risk Management and Internal Control Standards* issued by the Office of the Comptroller as applicable to the processes used to provide services to (Primary Agency Name). Insert the appropriate paragraph from the following:

Based on the results of (Service Provider Agency’s Name) internal control assessment in accordance with ARMICS,

no significant weakness was found in the design or operation of the internal controls applicable to the processes or services conducted on behalf of (Primary Agency Name).

OR

no significant weakness was found in the design or operation of the internal controls applicable to the processes or services conducted on behalf of (Primary Agency Name). However, other (non-significant) internal control weaknesses were identified and (Service Provider Agency’s Name) has provided assurance to us that they will address these minor weaknesses.

OR

significant weakness was found in the design or operation of the internal controls applicable to the processes or services conducted on behalf of (Primary Agency Name). (Service Provider Agency’s Name) has provided us with a list of these weaknesses and a copy of their Corrective Action Plan.

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**Exhibit 1: Certification Statement —
No Significant Weaknesses in Internal Control**

The [Agency’s] management is responsible for establishing and maintaining an effective system of internal control. The [Agency] has completed its control assessment of the agency level risks and significant fiscal processes at the transaction level.

(Agency) management is responsible for the integrity and objectivity of the financial transactions and other information provided to the State Comptroller. We believe the data provided for inclusion in the Commonwealth’s Comprehensive Financial Report (CAFR) are accurate in all material respects and that all disclosures necessary to obtain a thorough understanding of the (Agency’s) financial activities have been included.

The basis for these conclusions relates to our assessment of the internal controls operating within the (Agency). The [Agency] conducted its assessment of the effectiveness of the [Agency’s] internal control in accordance with the *Agency Risk Management and Internal Control Standards* issued by the Office of the Comptroller. Based on the results of this evaluation, the [Agency] can provide reasonable assurance that internal control over the recording of financial transactions in the General Ledger, compliance with the agency’s financial reporting requirements, compliance with applicable laws and regulations, and stewardship over the Commonwealth’s assets as of June 30, 20XX, was operating effectively and no significant weaknesses were found in the design or operation of the internal controls at the agency and transaction levels.

Agency Name	Agency Number
Agency Head Name	Chief Fiscal Officer Name
Agency Head Signature	Chief Fiscal Officer Signature
Date	Date

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**Exhibit 2: Certification Statement —
Internal Control Weaknesses Noted But None Significant**

The [Agency's] management is responsible for establishing and maintaining an effective system of internal control. The [Agency] has completed its control assessment of the agency level risks and significant fiscal processes at the transaction level.

(Agency) management is responsible for the integrity and objectivity of the financial transactions and other information provided to the State Comptroller. We believe the data provided for inclusion in the Commonwealth's Comprehensive Financial Report (CAFR) are accurate in all material respects and that all disclosures necessary to obtain a thorough understanding of the (Agency's) financial activities have been included.

The basis for these conclusions relates to our assessment of the internal controls operating within the (Agency). The [Agency] conducted its assessment of the effectiveness of the [Agency's] internal control in accordance with the *Agency Risk Management and Internal Control Standards* issued by the Office of the Comptroller. Based on the results of this evaluation, the [Agency] can provide reasonable assurance that internal control over the recording of financial transactions in the General Ledger, compliance with the agency's financial reporting requirements, compliance with applicable laws and regulations, and stewardship over the Commonwealth's assets as of June 30, 20XX, was operating effectively and no significant weaknesses were found in the design or operation of the internal controls on the agency and transaction levels.

Although no significant weaknesses were identified as a result of the ARMICS process, a list of other Internal Control weaknesses were identified and are attached to this certification. No formal corrective action plan is required for these weaknesses in accordance with ARMICS. The [Agency] will / will not correct these deficiencies by June 30, 20XX +1.

Agency Name	Agency Number
Agency Head Name	Chief Fiscal Officer Name
Agency Head Signature	Chief Fiscal Officer Signature
Date	Date

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Exhibit 3: Certification Statement — Significant Deficiencies or Material Weaknesses Identified — Corrective Action Plan Required

The [Agency’s] management is responsible for establishing and maintaining an effective system of internal control. The [Agency] has completed its control assessment of the agency level risks and significant fiscal processes at the transaction level in accordance with the *Agency Risk Management and Internal Control Standards* issued by the Office of the Comptroller. Based on the results of this evaluation, the [Agency] identified [number] of significant weakness(es) in its internal control as of June 30, 20XX.

(Agency) management is responsible for the integrity and objectivity of the financial transactions and other information provided to the State Comptroller. We cannot provide assurance that the data provided for inclusion in the Commonwealth’s Comprehensive Financial Report is accurate in all material respects or that all disclosures necessary to obtain a thorough understanding of the (Agency’s) financial activities have been included. Our basis for this conclusion is due to the extent of the significant weaknesses in internal control identified in Exhibit [xx].

Other than the exceptions noted in Exhibit [xx], the internal controls were operating effectively and no other significant weaknesses were found in the design or operation of the internal controls. A plan of the actions the [Agency] will take to comply with the *Agency Risk Management and Internal Control Standards* is included in Exhibit [xx].

If insignificant weakness(es) are also noted - Also, other Internal Control weaknesses were noted and attached to this certification. No formal corrective action plan is required for these weaknesses in accordance with ARMICS. The [Agency] will / will not correct these deficiencies by June 30, 20XX +1.

_____ Agency Name Agency Number

_____ Agency Head Name Chief Fiscal Officer Name

_____ Agency Head Signature Date Chief Fiscal Officer Signature Date