LETTER FROM THE PRESIDENT

In today's competitive and rapidly changing healthcare environment, SUNY Downstate Health Sciences University's (Downstate) ability to maintain effective internal controls is more important than ever. A strong internal control system minimizes risk, promotes efficiency, and strengthens accountability, and thereby helps us to achieve our mission. It also is essential for managing change and restructuring for future growth. Everyone at Downstate has a role to play in ensuring that our internal control system functions properly.

This overview of Downstate's Internal Control Program describes the general purposes and components of internal control. While most campus members are generally familiar with the control activities required by their particular job function, everyone should have a clear understanding of their performance goals and how to best achieve them. At Downstate, a commitment to quality service and ethical practices is not merely the smart thing to do; it is also a legal requirement.

The Internal Control Act of 1987 mandates that all New York State government operations, including those within the State University to which we belong, demonstrate a commitment to efficient and ethical business practices. To comply with the terms of this legislation, Downstate’s management is responsible for evaluating the internal controls within its units to ascertain that they are reasonably able to achieve their goals.

Each of us has an important role in carrying out the Internal Control Program at Downstate. We can improve performance outcomes by strengthening accountability, reducing waste, both in terms of financial and human capital, and identifying new opportunities for growth. If you have questions concerning internal control policies and their implementation, please contact the Office of Compliance and Audit Services.

The Five Components of Internal Control

The term “Internal Controls” refers to the systems, policies and procedures that should be in place to ensure that all applicable rules, regulations and laws are being followed. A strong internal control system promotes efficient and effective operations and minimizes risk. Everyone at Downstate has a role in Internal Controls.

1. Control Environment

The Control Environment reflects management's integrity and its commitment to ethical values. It is management's philosophy, operating style and the tone at the top which is communicated to all employees.

2. Risk Assessment

Risk Assessment is the process of identifying, evaluating, and determining how to manage the organization's ability to accomplish its mission.

3. Control Activities

Control Activities are the policies and procedures that help to ensure management directives are implemented.

4. Information and Communication

Information and Communication is the process which allows pertinent information to be identified, captured, and communicated to employees in a timeframe that enables people to carry out their responsibilities.

5. Monitoring

Monitoring is the process that assesses the quality of the internal control systems' performance over time to determine whether controls are effective.

Employee Responsibilities

Each employee is responsible for being in conformance with the internal control procedures associated with their specific job functions. It is important to understand that utilizing internal controls is simply utilizing good business practices. Each employee can accomplish this mandate by abiding by the following guidelines:

1. Fulfill the duties and responsibilities established in the job description.
3. Attend education and training programs to increase awareness and understanding.
4. Safeguard assets against waste, loss, unauthorized use and misappropriation.
5. Report breakdowns in internal control systems to the appropriate supervisor.
Management Responsibilities

Senior Management has ultimate responsibility for providing leadership and direction to guide the efforts of operational managers throughout Downstate towards achieving its mission.

Operational managers and supervisors have oversight responsibility for internal controls within their units. They are accountable for the development, maintenance, documentation and supervision of adequate internal control systems for the functions within their areas.

The basic Internal Control responsibilities for management personnel are outlined below:

1. Develop goals and objectives that are consistent with those established for Downstate.
2. Coordinate managerial actions as part of the overall Downstate internal control effort.
3. Acknowledge that the utilization of internal controls is an inherent part of a manager's responsibility.
4. Assure that internal controls are supportive of and consistent with the operating mandate and philosophy of Downstate.
5. Continuously monitor the environment within which the manager’s program operates to identify required adjustments in Downstate's internal controls.
6. Regularly test the controls to determine if they are being performed as intended.

Questions Regarding Internal Controls

This overview is designed to remind you of the general requirements and institutional objectives that you must adhere to as an employee of Downstate. This overview is supplemented by a more detailed Internal Control Program located at Internal Control Program | Office of Compliance and Audit Services SUNY Downstate as well as Downstate's policies and procedures pertaining to specific areas.

If you have any questions regarding internal control, you may direct them to your supervisor or to the Internal Control Officer at the following contact information:

Office of Compliance and Audit Services
Phone: 718-270-4033/ 7368
Fax: 718-270-4312
Location: BSB Rm 4-88B
Box: 1248
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