What’s in your continuous improvement toolbox?

Happy New Year! The calendar change provides a logical and timely opportunity to reflect on the past and identify areas for future improvement. Perhaps a new job? Home maintenance and remodeling project(s)? Better health? Any and all of these pursuits are worthwhile, continuous improvement (CI) objectives.

The New Year also gives agency leaders an excellent opportunity to identify CI goals and objectives (i.e., resolutions) for improving agency operations in the coming year. As you consider CI projects, make sure internal controls are on your list.

A new year means two annual internal control-related certification “seasons” will begin soon: 1) The SWIFT/SEMA4 system security review and verification (per MMB Statewide Operating Policy 1107-01, Security and Access); and, 2) The internal control system certification (per MS Section 16A.057). The work you do to support these certifications includes built-in CI opportunities.

Employees may not view system security review and verification, control environment self-assessment, and risk assessment projects as CI tools. However, since each of these activities focuses on improving processes and internal controls, you should consider them part of your agency’s CI toolbox.

The system security review and verification has two objectives: 1) To ensure agencies give employees the access to systems, data, and maintenance screens they need to do their jobs without any extraneous, unnecessary system access; and, 2) To ensure incompatible duties are adequately segregated. Both of these objectives help reduce the risk of fraud and errors.

Cleaning up access is a CI activity, streamlining processes while maintaining adequate internal controls.

Control environment self-assessment and, for applicable agencies, risk assessment, support each agency head’s annual internal control system certification and provide many CI opportunities. Control reviews begin with teams of subject matter experts analyzing and documenting the status of a specific set of internal controls (control environment self-assessment) or the workflow of a particular business process (risk assessment).

There are benefits to having several subject matter experts, including both supervisory and staff-level personnel, involved. Convening groups of people from throughout the agency results in greater brainstorming, sharing of different perspectives, and stronger improvement ideas. The teams evaluate the controls or review the business process and recommend improvements and alternatives for management to consider.

Along with your more traditional continuous improvement activities in 2017, add the upcoming certifications as additional opportunities to improve.

Suggested action steps: Agency leaders will soon receive notices from MMB outlining the requirements for both the SWIFT/SEMA4 system security review and verification certification and the internal control system certification. Agency leaders should consider these two certifications not only as compliance requirements, but also as continuous improvement opportunities.

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