Separate Evaluations Keep Your Engine Running

**Highlights**
- Separate evaluations provide an objective review of specific internal controls.
- Good monitoring of internal controls includes both separate evaluations and ongoing monitoring.
- Risk assessment will help identify where separate evaluations are needed.

You’ve worked hard to achieve strong internal controls within your organization. Now it’s time to make sure they remain strong. Internal controls should be monitored on an ongoing basis, and as needed with separate evaluations.

Ongoing monitoring occurs in the normal course of operations, and includes regular management and supervisory activities. Think of ongoing monitoring like getting an oil change for your vehicle every 3,000 miles.

Separate evaluation, on the other hand, is a periodic assessment of how well a program or an organization is achieving objectives and meeting expectations. This is more like taking your vehicle to the shop when your “check engine” light goes on.

Separate evaluation occurs outside of daily monitoring and control activities. According to internal control experts, separate evaluations provide greater objectivity when performed by reviewers who do not have responsibility for the activities being evaluated. Some examples of separate evaluations include: a financial audit conducted by the Office of the Legislative Auditor, an audit of a program by an organization’s internal audit unit, or an evaluation of grant management programs by the federal government. Self-assessments and direct testing by management or a unit in an organization are also forms of separate evaluations.

Separate evaluations are conducted periodically to provide an objective review of controls at a specific point in time or of a specific function or process. They can help identify internal control deficiencies, or validate that current controls are operating as intended.

Ready to conduct your own separate evaluation of internal controls? Here are some factors to consider:
- What are your biggest risks and when was the last time you reviewed controls for those risks?
- What is the scope of the evaluation?
- What resources will it require?
- How will you communicate with those involved in the evaluation?
- What actions do you need to take once the evaluation is complete?
- How will you implement design changes (if needed) to your internal controls?

**Suggested action steps**

Your agency’s annual Internal Control System Certification is an example of a separate evaluation. Now is a great time to begin working with organization leaders to review internal control systems and verify these systems are in compliance with established standards and policies.

Visit the Internal Control and Accountability Annual Internal Control System Certification page on our website to learn more.

If you have questions, please contact Aimee Mandah at Aimee.Mandah@State.mn.us or 651-201-8174.

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