



Conquering the fear of internal control

- **Discover an easy-to-understand explanation.**
- **Understand the business reason for controls.**
- **Accept the presence of internal controls in the organization.**

Do you have an intense fear of internal controls? Common symptoms include:

- Breaking into a cold sweat when auditors inquire about your agency's internal controls;
- Excessive urge to yawn and/or nap while reading internal control articles; and/or
- Avoiding the office during scheduled internal control meetings.

Various remedies claim to treat this fear, but one is proven most effective: make a personal commitment to better understand what internal control really is and what business purpose it serves. People undergoing this treatment have experienced a 99% recovery rate (as you will learn with internal controls, nothing is ever 100% sure!). Although this treatment can be performed individually without outside help, the [Internal Control & Accountability Unit](#) is available to answer questions, provide one-on-one consultation, or train entire work groups.

Effectively treating the fear of internal control involves three easy steps:

Step 1 – Find a jargon-free internal control explanation that makes sense to you. Basically, internal controls make sure good things tend to happen and bad things tend not to happen at your workplace. For instance, the payment process requires documentation and approvals to ensure expenditures are valid (a good thing). Without these controls, unallowable costs or inappropriate/fraudulent payments could occur (bad things).

Step 2 – Understand the business reason for internal controls. Internal controls provide reasonable assurance that your agency's objectives are being achieved and management directives are being followed. In many small businesses, the owner or manager can personally oversee all aspects of the business operations. In contrast, the state of Minnesota is so large and complex, it is impossible for one, or even a few

employees to oversee everything. Despite this, management still needs to ensure that the employees' work meets expectations. We obtain that assurance by having strong internal controls, or good business practices, in place. Consequences of not having good internal controls include fraud, inaccurate records, inefficient/ineffective programs and damage to the reputation of the agency and its employees.

Step 3 – Accept that internal controls already permeate your organization. This realization should not cause anxiety, but instead should be reassuring. Remember, internal controls help make good things happen and help prevent bad things from happening. Also, internal controls hold employees accountable and promote a secure work environment by communicating expectations and providing tools (e.g., training, procedures and position descriptions) to help employees effectively do their jobs.

You are now well on the way to conquering your internal control fear and can more confidently face any future internal control conversations. Congratulations!

Suggested Action Steps: Make a personal commitment to gain a better understanding of internal controls. Reacquaint yourself with internal controls embedded throughout your organization and embrace their qualities.

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