State of Arizona Accounting Manual

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INTRODUCTION

Control self-assessment is a technique used by an organization to assess the effectiveness of its risk management and control processes. An important component in control self-assessment is the documentation of an organization's control environment and control processes. Evaluation of the findings of control self-assessment may lead to improved internal controls, i.e., controls that reduce the risk of loss due to fraud, waste, abuse and error. Importantly, the reduction of errors that results from improved controls supports fairness of financial reporting, which in turn provides more reliable management information.

In support of the State's control-self assessment efforts, periodically the General Accounting Office (GAO) electronically distributes Internal Control Self-Assessment Surveys (ICSASs) to agencies.

The purpose of ICSASs is to provide an understanding of the internal control structures of the State and its agencies and to use responses to assist agencies in determining their internal control needs and, if applicable, improving their internal control environments.

POLICY & PROCEDURES

1. Agencies must respond as accurately and completely as practicable to ICSASs.

2. Unless otherwise provided in the ICSAS itself, completed responses to an ICSAS issued during a fiscal year must be completed not later than the close of business on the last day of the fiscal year in which the ICSAS was distributed. Earlier responses will be appreciated.

3. Matters involving fraud should be immediately verbally communicated to the GAO, the Office of the Attorney General and/or the Office of the Auditor General before or instead of being included in an ICSAS response.

4. Matters of a confidential or sensitive nature or involving significant risk to the State of Arizona should be immediately verbally communicated to the GAO before or instead of being included in an ICSAS response.