

INTERNAL CONTROL – RISK MANAGEMENT - AR

Talbot County Public Schools has established policies and procedures to identify, assess, and manage both the internal and external risks it faces. Talbot County Public Schools deals with risks on both an entity wide basis and activity level basis.

This document provides an evaluation tool to assess the effectiveness of Talbot County Public Schools risk management practices.

I. Establishment of Entity-wide Objectives

Talbot County Public Schools has a mission statement, a Master Plan which clearly identifies goals and objectives. The Master Plan is updated on an annual basis. The mission statement and Master plans are clearly communicated to employees and the general public.

II. Establishment of Activity-Level Objectives

Activity level objectives that are detailed in the Master Plan, are realistic, obtainable, and measurable. Responsibility for activity level is delegated to specific individuals. Appropriate necessary resources will be identified, budgeted, and allocated, to successfully achieve the activity level objectives. The activity level objectives will be measured and reported to management and responsible employees. Activity level objectives will be supported by written policies and procedures which are linked to the strategic plan and support specific business processes.

III. Risk Identification

Talbot County Public Schools has a sophisticated risk management policy and procedures that are successfully integrated into business operations. Risk management will occur at both senior and mid-level management for both entity-wide and activity level objectives.

IV. Risk Analysis

Talbot County Public Schools has a risk analysis procedure which categorizes risk by type, significance, and potential impact. The risk analysis procedure also provides for mitigation measures, required management action, and necessary internal controls. There is evidence that risks will be managed and continually monitored.

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