I. Introduction and background information
   A. Agency mission
      The Montana University System mission is to serve students through the delivery of high
      quality, accessible postsecondary educational opportunities, while actively participating in
      the preservation and advancement of Montana’s economy and society.
      The Office of Commissioner of Higher Education (OCHE) is the central administrative unit of
      the Montana University (MUS) and the Board of Regents. (Statutory references: Article X,
      Section 9 of the Montana Constitution, 2-15-1505, MCA)

      Leadership, management, and staff at OCHE are committed to integrity and ethical values
      and implementing an internal control system that will help us achieve our objectives. OCHE’s
      internal control system is evaluated in an ongoing basis.

II. General information
   A. Executive Staff
      • Clayton Christian, Commissioner of Higher Education
      • Tyler Trevor, Deputy Commissioner / Budget and Planning, Chief of Staff
      • Brock Tessman, Deputy Commissioner / Academic, Research and Student Affairs
      • Kevin McRae, Deputy Commissioner / Human Resources
      • Ali Bovingdon, MUS Chief Legal Counsel
      • Helen Thigpen, Deputy Commissioner for Government Relations & Public Affairs

   B. Internal Control Contacts
      The Deputy Commissioner Budget & Planning designates a senior manager as the
      agency’s internal control officer. Internal Control team contacts include:

      • Shauna Lyons, MUS Director of Accounting & Budget
      • Chad Lee, CPA, Accountant
      • Margaret Wallace, Director of Assurance & Enterprise Risk (OCHE internal control
        officer)
      • Jessica Weltman, MUS Compliance Officer
      • Angie Hall, Accounting Specialist
Office of the Commissioner of Higher Education Internal Control Plan

C. Organization chart

MONTANA UNIVERSITY SYSTEM

Board of Regents

Commissioner of Higher Education

Montana State University
  - Bozeman
  - Northern
  - Billings
  - Great Falls

The University of Montana
  - Missoula
  - MT Tech
  - Western
  - Helena

Community Colleges
  - Dawson
  - Flathead
  - Miles

Office of the Commissioner of Higher Education

Human Resources
  - Employment Policies
  - Compensation
  - Labor Relations
  - Employee Benefits
  - Workers Compensation

Government Relations & Communications

Budget, Administration, & Planning
  - Accounting & Budget
  - Information Technology
  - Enterprise Risk/Audit
  - Student Assistance
  - Procurement

Legal Affairs

Academic, Research, & Student Affairs
  - College Access/K12 Partners
  - Am. Indian/Minority Success
  - Student Affairs/Success
  - Academic Initiatives
  - Workforce Development
  - Research & Innovation
III. **Responsibility, Information, and Communication**

Each Deputy Commissioner is responsible for ensuring compliance with all requirements that pertain to his/her area of responsibility, including the development and maintenance of applicable written policies and procedures and for ensuring that copies of the internal control plan are made available. Managers are required to establish clear lines of authority and responsibility. Additionally, we have the following communications, policies, processes, and practices in place to increase awareness and adherence to internal control processes.

A. OCHE Internal Policies
B. Daily communications of news articles and social media mentions related to the MUS
C. Weekly Cabinet meetings
D. Extended Cabinet meetings
E. Unit staff Meetings
F. Assigning tasks and establishing written procedures for completing assignments
G. Providing guidance and training (or opportunities to attend training) when necessary
H. Provide back-up training where appropriate
I. Providing appropriate recognition of employee suggestions for control improvements

IV. **Control Activities by Functional Areas**

All designated units and their staff are responsible for complying with internal control policies concerning segregation of duties for tasks and functions under their jurisdiction. If a duty cannot be segregated, compensating controls have been implemented. See the appendix for associated process maps and control activities. For some areas below the documentation of processes and associated controls are under development.

A. **Financial**
   1. State Appropriation and Allocation
      a. Budget & Planning
      b. State Allocations
   2. Accounting (See Appendix for a listing of associated reports)
      a. Payroll
      b. Revenue/accounts receivable
      c. Capital Assets
      d. Fiscal Year-End
      e. Financial reporting (notes)
   f. Procard Expenditures
   g. Travel Reimbursement
      • Employee Travel
      • Non-Employee Travel
      • Board of Regents
   h. Meals
      • Catered Meals
   i. Procurement
Office of the Commissioner of Higher Education Internal Control Plan

- **Procurement Expenditures** (see Guide, Procedures, and Training Video online)
- **Asset management**
- Student Assistance
  - **Montana Institutional Nursing Incentive Program (MINIP)**
- **529 College Savings Plans**
- **SOC Reports**
- Authorized signers and delegated authority
  - Transactions and other significant events are authorized and executed only by persons acting within the scope of their authority.
  - The Commissioner delegates general expenditure and operational signing authority to the Deputy Commissioner of Budget & Planning.
  - The Deputy Commissioner of Budget and Planning approves the delegation of authority to Program Directors within assigned budgetary funds. Additionally, program Directors may also recommend restricted signature authority to other employees within their reporting structure.
  - The Internal Control Officer coordinates with the MUS Director of Accounting & Budget to ensure authorizations are up to date. Authorizations are reviewed at the start of every fiscal year.
  - An OCHE Authorized Signatories listing is available for review in the BAP Division folder.

**B. Human Resources**
The Human Resources and Legal Divisions are responsible for safeguarding employee integrity within OCHE.

1. Onboarding Process
   a. See **OCHE personnel policies**

2. Code of Conduct
   a. Annual Ethics and Conflict of Interest Policy
   b. The Commissioner periodically issues directives to all Divisions to ensure compliance with federal and state laws and regulations pertaining to allowable political activity by public employees.

3. Benefits Administration
   a. **Enrollment Monitoring & Verification**
   b. **Banner – BenefitSolver Reconciliation**
   c. **SOC Reports**

4. Workers Compensation
   a. **Program Procedures & Controls**
C. Access to Resources

**Access to physical resources**
OCHE manages the acquisition and safeguarding of central computer hardware and software. OCHE is also responsible for acquiring and managing other machinery and equipment. Acquisition and disposition procedures are aligned with fixed asset policies and procedures published in MOM category 300. Annually, OCHE conducts an inventory of all capital assets (over $5,000) and all high-risk assets (under $5,000), such as computers and computer accessories.

**Access to personnel**
The Executive Staff is responsible for evaluating the physical security and safety of OCHE employees and for suggesting corrective action when necessary. It is also responsible to respond to threats made to employees.

Building security for the OCHE location at 560 North Park Avenue 4th floor office is provided by OCHE’s card-access system for the days and times outside of regular working hours. Regular working hours are considered as Monday through Friday, 8:00 AM – 5:00 PM as per OCHE Personnel Policy 305 – Work Hours.

**Access to information**
- All users of IT systems must receive appropriate clearance to use a system (from appropriate IT security management and/or the application administrators). The permission must be written and includes assignment of a User ID and a temporary password that must be changed upon first sign-in.

- All users of an IT system must receive security awareness training either via online or by other means.

- All IT system use is restricted to official business purposes. Users are encouraged to report suspicious behavior to their supervisor or IT security personnel.

- As required by DOA’s State Information Technology Services Division policy, the agency security officer, Edwina Morrison, is responsible for security issues involving access and use of statewide systems.

IT processes and control documentation are under development. A risk questionnaire and gap assessment are planned for FY23.
D. Federal Grants
1. Gaining Early Awareness for Undergraduate Programs (GEAR UP)
   a. Follow general OCHE procedures.
2. Montana Education Talent Search (ETS)
   a. See policies and procedures.
3. Carl D. Perkins (Perkins V)
   a. Follow general OCHE procedures.

E. OCHE and BoR Internal Policies
1. The Internal Control Team and the Board of Regents (BOR) Policy Review Committee are responsible for revising internal OCHE policies. The BOR Policy Review Committee includes:
   • Tyler Trevor, Deputy Commissioner for Budget & Planning, Chief of Staff
   • Ali Bovingdon, Chief Legal
   • Hannah Tokerud, Associate Legal Counsel
   • Jessica Weltman, MUS Compliance Officer
   • Margaret Wallace, Director of Assurance and Enterprise Risk
2. The BOR Policy Review Committee analyzes and recommends policy updates to OCHE leadership. New BOR policies or revisions require board approval.
3. Annual Reporting Process: The Policy Coordinator and MUS Compliance Officer monitor reporting expectations and compliance required in BOR policy, statute, or for purposes including participation in the NCAA, etc.

F. Records Retention
The Agency’s records management policies and guidelines are contained in the Agency Retention Schedule and the Commissioner Directives. The Secretary of State Records and Information Management Division (Records Management) maintains the Agency Retention Schedule and distributes it to OCHE. The Budget and Accounting team is responsible for ensuring that all original documents and records in support of the Agency’s accounting transactions are imaged or otherwise retained in accordance with the Agency Retention Schedule and that a detailed accounting of all financial records sent to Records Management is maintained.

1. All documents requiring approval and processing are managed via DocuSign for routing and required signatures.
2. Financial documents are processed via DocuSign and then electronically saved in the BAP Drive upon completion for central location access and monitoring.

V. Risk Assessments
The Internal Control team evaluates risks and internal controls by analyzing the control environment, identifying, and prioritizing functions and activities most likely to have
control problems. Potential risks are discussed to determine whether existing controls are sufficient to manage them. The Internal Control Team documents controls, provides ongoing training, and makes recommendations to management through the Deputy Commissioner for Budget & Planning. Executive Staff directs operational line management to prepare responses and corrective action plans as needed.

The Montana Operations Manual (MOM’s) policy Internal Controls (399) is used as a guide in the development and maintenance of internal control structures, as well as additional activities not limited to ones listed below.

1. Determine if processes are documented
2. Reviews of internal, financial, and administrative systems and procedures
3. Executive Staff’s assessment of existing risks
4. Risk interviews with staff and management
5. Past internal and external audit findings
6. Risk assessments of critical systems
7. Risk questionnaires

VI. Monitoring
Throughout the year, management is expected to conduct reviews, tests, and analyses of internal controls to ensure their proper design and operation (from 399).

- Audit findings of internal/external audits and other reviews are promptly resolved.
- New programs, changes in personnel, and the implementation of new systems are reviewed by the Internal Control Team.
- The internal control plan is reviewed/updated on an annual basis.
- The Internal Control Team is engaged in an ongoing process of documenting processes and associated controls, beginning with high-risk financial processes.
- See specific process maps for a description of monitoring conducted within each area.
VII. **Key Reports Appendix**

A. **Budget and Planning**
   1. Budget Status Report
   2. SABHRS Trial Balances

B. **Financial Reporting**
   1. MTGL7008 Trial Balance Fund Report
   2. MTGL7002 General Ledger Activity Report
   3. MTGL0106-O Organizational Detail Report – Org
   4. GLC7501 Journal Entry Detail
   5. FIN2001 Journal Entry Detail
   6. Department of Administration Template for Notes to the Financial Schedules
   7. SABHRS DataMine

C. **Expenditure Cycle**
   1. APY1010 – Voucher Register
   2. APY1020 – Posted Voucher Listing
   3. APY2000 – Payment History by Vendor
   4. MTAP1701 – Voucher Status Report
   5. MTGL7008 – Trial Balance - Fund
   6. GLS7002 – General Ledger - Activity
   7. GLS3000 – Open Items
   8. MTGL0106-O – Organizational Detail Report - Org
   9. MTGL0111-O – Organizational Summary
   10. GLS8020 – Budget Status Report
   11. MTGL_APPROP_BUDGETS_AND_BAL – Appropriation Budgets and Bal
   12. MTGL_OBRG_BUDGETS_AND_BAL – Org Budgets and Bal
   13. GLS7011 – Journal Edit Errors
   14. GLC7501 – Journal Entry Detail
   15. FIN2001 – Journal Entry Detail
   16. MTGL1101 – Inter-Unit Journal In-Progress

D. **Revenue Cycle**
   1. AR20001 – Deposit Control by Entry Date
   2. AR20003 – Payment Summary
   3. AR32000 – Customer Statements
   4. AR35000 – Finance Charges
   5. MTAR_ITEMS_BAL – Customer Balances
   6. MTAR_ITEMS_DIST – Item Distribution for Customers
   7. MTAR AGEBU – Business Unit Aging Report
   8. MTGL7008 – Trial Balance - Fund
   9. GLS7002 – General Ledger - Activity
10. GLS3000 – Open Items
11. MTGL0106-O – Organizational Detail Report - Org
12. MTGL0111-O – Organizational Summary
13. MTGL_REVEST_BUDGETS_AND_BAL – Reports Budgets and Balances
14. MT_AR_PAYMENT_DATA – AR Payment Data
15. MT_ACCOUNT_FUND_BU_SUM – Fiscal Year Totals for Funds by Account

E. Payroll Cycle
1. MTTL1202 & MTTL1202P – Time Validation Reports
2. MTTL1204 – Agency Payroll verification
3. PAY002 – Payroll Register
4. PERO13 – Employee Compensation Changes
5. MTBA2101 – Leave Accrual
6. MTPY5103 – Payroll Expenditures Report

F. Capital Assets
1. SABHRS ENTITYWIDE and ACTUALS Trial Balances
2. AM_NEG_DEPR_NBV_LT_SALVAGE - Negative Depreciation query
3. MTAM0001_DONATED_ASSETS_BY_BU - Donated Assets by BU
4. MTAM0002_ASSET_BY_BU_AND_CLASS - Asset by BU and Class
5. MTAM0003_ASSET_BY_BU___LOCATIO - Asset by BU & Location
6. MTAM0004_ASSET_BY_BU_AND_TAG__ - Asset by BU and Tag #
7. MTAM0005_EXPENSED_ASSETS_BY_BU - Expensed Assets by BU
8. MTAM0006_ASSET_BY_BUSINESS_UNI - Asset by Business Uni
9. MTAM0007_ASSET_COUNT_BY_BU - Asset Count by BU
10. MTAM0008_NEW_OPEN_TRANS_ROWS - New Open Trans Rows
11. MTAM0009_ASSET_BY_LOCATION - Asset by Location
12. MTAM0010_ASSET_SORT_BY_LOCATIO - Asset Sort by Location
13. MTAM0011_BU_LOCATIONS - BU Locations
14. MTAM0012_SEARCH_BY_SERIAL_ID - Search by Serial ID
15. MTAM_ASSET_COST - Current Cost by BU, Fund
16. MTAM_ASSET_LOCATION_INVENTORY - Asset Location Inventory
17. MTAM_ASSET_LOC_INV_DISPOSED - Disposed Asset Inventory with Location
18. MTAM_ASSET_LOC_INV_NO_DISPOSED - Asset Inventory w/o Disposed
19. MTAM_GL_RECON - AM and GL Reconciliation
20. SABHRS Data Mine

G. Federal Grants
1. SABHRS Trial Balance by Fund
2. SABHRS Data Mine
3. Individual System Reports
4. SF - 425 Reports
5. Grants Checklist
H. Process Maps & Procedures

1. Budget and Accounting
   a. State Allocation
   b. Fiscal Year-End
   c. ProCard Expenditures
   d. Board of Regents Travel Reimbursement
   e. Non-Employee Travel Reimbursement
   f. Employee Travel Reimbursement
   g. Catered Meals
   h. Procurement Expenditures
   i. 

2. Benefits
   a. Banner – BenefitSolver Reconciliation
   b. Benefits SOC Reports
   c. SOC Reports

3. Student Assistance
   a. Montana Institutional Nursing Incentive Program (MINIP)
   b. 529 SOC Reports

4. Workers Compensation Program Procedures Controls

5. Federal Grants
   a. Montana ETS Policies and Procedures