

Internal Control Assessment FSA's Supervision of its Employees

Purpose

To ensure that proper supervision and oversight of FSA employees exist regarding the handling of capital assets.

Background

In accordance with the General Accounting Office (GAO), FSA is required to provide qualified and continuous supervision to its employees to ensure that internal control objectives regarding the handling of its capital assets are achieved. FSA's supervisors are required to continuously review and approve the assigned work of their staffs; they are also required to provide their staffs with the necessary guidance and training to help ensure that errors, capital asset waste, and wrongful acts are minimized and if they do occur are detected, in a timely manner. Assignment, review, and approval of employees' work requires:

- Clearly communicating the duties and responsibilities, assigned to each employee;
- Systematically reviewing each employee's work on a regular basis;
- Approving work at critical points to ensure the continuous flow of work.

FSA employees' work, regarding its capital assets, should result in the proper processing of transactions and events including: following approved procedures and requirements; detecting and eliminating errors and improper practices; and discouraging wrongful acts from occurring or from recurring, and if they do occur are detected, in a timely manner.

Internal Control Standard

FSA must ensure an adequate level of supervision and oversight of its employees to ensure proper handling of its capital assets.

Assessment of FSA's Compliance*

We held several interviews with FSA's management, on supervision and oversight applied to employees handling of capital assets, and determined that FSA's management has been exercising sufficient supervision of the personnel for the handling of its capital assets.

* The actual testing phase including interviews and examination of sampled records has not yet occurred. This write-up is only a sample of what may be discovered during the testing phase of the FMFIA process.