



Nathan Deal
Governor

Thomas Alan Skelton, CPA
State Accounting Officer

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TO: Agency Heads and CFOs

FROM: Teresa MacCartney, State CFO, Director of OPB *TAM*
Alan Skelton, State Accounting Officer *AS*

RE: Internal Controls

State leadership recognizes the importance of internal controls and as a result SAO will be renewing our focus on this topic. The State will shift from the Committee of Sponsoring Organizations (COSO) framework to our interpretation of the "Green Book" which is published by the Federal Office of Management and Budget (OMB). The Green Book defines the criteria through components and principles and explains why they are integral to an organization's internal control system. **SAO's goal is to provide consistent criteria for designing, implementing, and operating an effective internal control system to mitigate relevant risk.**

The updates to the internal controls guidance will occur in stages over the next year and communications will be provided to your organization when new information is available. As always, any updates will also be available on our website at www.sao.ga.gov.

Management is responsible for an effective internal control system within each entity. However, personnel throughout an entity play important roles in implementing and operating an effective internal control system. Since people are what make internal control work eventually all employees will be impacted by this updated guidance. **Accordingly, to make this a successful program, we ask everyone's cooperation and endorsement.**

We look forward to your input and appreciate your assistance and support. If you have any questions, please contact Rachael Krizanek, Internal Controls and Policy Manager, at Rachael.krizanek@sao.ga.gov.