

University of Missouri System

Accounting Policies and Procedures



Policy Number: APM-2.25.15

Policy Name: Internal Control – Sub-Certification Process

General Policy and Procedure Overview:

The University of Missouri (the “University”), as a public institution, has fiscal responsibilities and accountability to the State of Missouri, bondholders, rating agencies and its internal and external constituents. In connection with the external audit of the University’s financial statements, senior management makes certain representations as to the accuracy and completeness of the University’s financial statements and the adequacy of its internal control structure.

In compliance with the spirit of Sarbanes-Oxley legislation requiring greater public accountability for information included in financial statements, the University, as well as other higher education institutions, implemented a process for certifying the accuracy and completeness of its financial statements. The process requires senior officers of the University to formally certify the accuracy and completeness of the financial data generated by their organizational units that are included in the overall financial statements of the University as a whole. The certification, referred to as sub-certification, includes specific assertions relating to internal controls and financial accountability within the organizational units of the University.

In order to make representations for the University as a whole, senior management must take into account the financial position of each of the campuses, the Health System, and other operating entities. Due to the decentralized environment in which the University operates, senior management at University of Missouri System (“System”), Health System and the campuses must place reliance on internal controls that are in place, documentation of policies and procedures and monitoring of adherence to such policies by its academic and administrative areas.

Detail Policy and Procedure:

Sub-certifications are prepared for fiscal years ending June 30 and include specific assertions relating to internal controls and financial accountability within organizational units of the University. The sub-certifications by senior management of the University, including System, Health System and campuses, are to be reviewed and signed as part of the certification process. The sub-certification must include seventeen assertions within the financial reporting process and may be accessed at [APM 2.25.15.3](#). Further explanations of the seventeen assertions and a context for the sub-certification may be accessed at [APM 2.25.15.4](#).

The University of Missouri’s financial organization extends beyond the campus, Health System and System accounting offices. Key personnel from colleges and administrative divisions share the responsibility of managing the University’s financial resources. It is the collective and shared responsibility of these areas to work cooperatively in ensuring the integrity of the University.

At the discretion of the Chancellor, Vice Chancellor for Administration, Accounting Directors, and Associate Directors for the campuses in addition to the System and Health System senior officers, fiscal managers may be required to certify up to nine assertions as to the financial information and internal controls in the areas for which they are responsible. The sub-certifications of fiscal managers may be accessed at [APM 2.25.15.1](#). Further explanations of the nine assertions and a context for the sub-certification may be accessed at [APM 2.25.15.2](#).

RESPONSIBILITY:

- Representation Letter to the External Auditors for consolidated financial statements of University
 - President
 - Vice President for Finance and Administration
 - Controller
 - Associate Controller
 - Director, Financial Reporting and Taxation

- Required Sub-Certifications
 - Chancellor
 - Vice Chancellor for Administration & Finance
 - Assistant Vice Chancellor of Finance
 - Accounting Director
 - Health System senior officers

- Discretion of campus, System, and Health System to require sub-certifications down to deans and fiscal officers
 - Deans
 - Department Chairs
 - Fiscal Officers

Accounting for the Transactions:

Effective Date: July 1, 2006

Revised Date: July 5, 2011

Questions and Comments?

Questions regarding interpretation and implementation of the Accounting Policy should be directed to the Campus Accounting Office. Suggested edits or revisions to the policy should be directed to the Office of the Controller.