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Making a list and checking it twice: Internal controls reminders for the winter season

As we enter the holiday season, the signs of winter are making themselves more apparent everywhere. At home you may be shopping for loved ones, exploring decorative lights shows, or planning a family gathering, while at work it's time to prepare your facilities and equipment to perform during cold temperatures.

You may be applying heat trace to your outdoor equipment, testing your low temperature alarm systems in order to take action before equipment freezes, or identifying critical transmitters and insulating them in O'Brien boxes. These are all not only signs of winter and winterization prep, but they're also signs of your internal controls!

Internal controls are more than just evidence to share with the audit team. They help your organization to detect potential issues, prevent known issues, and correct issues that have occurred in a reasonable timeframe. Like the examples listed above, they are designed to prepare equipment to get through colder winter weather, and in doing so show auditors you are working to mitigate your risk.

When it comes to your internal controls, they should be well documented, tested, and implemented. Your controls are the tools your staff actively leverages to ensure continued reliability. Bringing awareness through training on your internal controls allows visibility across your organization (also consider ways to implement a feedback loop for suggestions of additional controls).

Training should not end with your staff. A common theme we have noticed on several engagements is the heavy reliance on contractors and using the work of others. A key point to using contractors – while you are paying them for their knowledge and expertise, you still need to check their work.

Are your contractors familiar with your winterization plans? If your contractors are in charge of putting down salt or removing ice from walkways, are the critical walkways identified and prioritized? If your contractor suggests an additional project or protection measure, is

there a process in place to review those suggestions and ensure prompt follow-up? Internal controls not only help internally, but they can help guide external communication and coordination – again, to ensure continued reliability.

So, when you get your notification packet for your next engagement, just remember – by training your staff and contractors on what you do, designing and implementing internal controls to address risks, and documenting it all – you'll be taking steps to improve reliability and you'll be able to show the audit team your progress and get feedback (maybe even a Positive Observation).

If you're wondering where to start, please feel free to reach out to our Entity Engagement team for an [Assist Visit](#) with any questions or to ask about our [Winterization Assist Visit](#) options. Remember: even Santa adopted internal controls by always checking his list twice!

