

*Tenn. Code Ann. § 9-18-102*

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\*\*\* Current through the 2016 Regular Session and the 2nd Extraordinary Session of the 109th Tennessee General Assembly \*\*\*

Title 9 Public Finances  
Chapter 18 Financial Integrity Act of 1983

Tenn. Code Ann. § 9-18-102 (2016)

**9-18-102. Internal controls -- Management assessment of risk.**

(a) Each agency of state government and institution of higher education along with each county, municipal, and metropolitan government shall establish and maintain internal controls, which shall provide reasonable assurance that:

(1) Obligations and costs are in compliance with applicable law;

(2) Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and

(3) Revenues and expenditures are properly recorded and accounted for to permit the preparation of accurate and reliable financial and statistical reports and to maintain accountability over the assets.

(b) To document compliance with the requirements set forth in subsection (a), each agency of state government and institution of higher education shall annually perform a management assessment of risk. The internal controls discussed in subsection (a) should be incorporated into this assessment. The objectives of the annual risk assessment are to provide reasonable assurance of the following:

(1) Accountability for meeting program objectives;

(2) Promoting operational efficiency and effectiveness;

(3) Improving reliability of financial statements;

(4) Strengthening compliance with laws, regulations, rules, and contracts and grant agreements; and

(5) Reducing the risk of financial or other asset losses due to fraud, waste and abuse.

**HISTORY:** Acts 1983, ch. 129, § 1; 1998, ch. 664, §§ 1, 2; 2008, ch. 750, § 1; 2015, ch. 112, § 1.



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