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The founding fathers and internal controls

Highlights

- It appears that the nation's founding fathers intuitively knew a lot about internal controls.
- A strong control structure includes separation of duties, operating policies and procedures, and staffing and succession planning.

With Independence Day just around the corner, many of us are probably spending at least some small amount of time reflecting on the American model of government and the wisdom of the nation's founding fathers. From our American and state history classes, we learned of the constitution, the three branches of government, and the succession to the presidency. However our teachers probably did not explain to us that, intuitively, it appears the nation's first statesmen knew a lot about internal controls. The following are some basic internal control concepts that are very apparent in our government's structure.

Separation of duties – Apparently, the authors of both the national and state constitutions believed that too much power in the hands of one or a few individuals was not a good thing. As Thomas Jefferson wrote to John Adams in 1787, "The first principle of a good government is certainly a distribution of its powers into executive, judiciary, and legislative, and a subdivision of the latter into two or three branches." They also believed in a balance between federal and state power and rights. Perhaps in those days, Jefferson was thinking about the power vested in the British king. However, the general principle is the same today. Separation of duties is still essential, so that one person cannot control and potentially manipulate an entire process from start to finish.

Standard operating policies and procedures – To many of us, maintaining our agency's policies and procedures is the bane of our existence. And so it also was with the original writers of the Declaration of Independence and the U.S. Constitution. It is said that, when Congress began considering a resolution of independence in June 1776, there was great debate about who would write the first draft of

the document. History tells us that Jefferson, who ultimately wrote the Declaration of Independence, was very reluctant to take the assignment. However, the importance of this first document cannot be overstated, as Lincoln ultimately argued that the Declaration of Independence was the statement of principles through which the U. S. Constitution should be interpreted. Likewise, our policies and procedures, although not always exciting to write or maintain, are the necessary statements that guide our daily work activities.

Staffing and succession planning – The Constitution states the minimum qualifications for key government positions. For example, a representative must be at least 25 years old, a citizen of the United States for at least seven years, and reside in the state in which he or she was chosen. The Constitution also provides for succession in case the president is unable to perform his or her duties. These rules were intended to provide for an orderly transition and continuity of our national offices. Similarly in our organizations, a strong control structure includes defining minimum qualifications for hiring, as well as knowledge transfer processes in case of terminations or retirements.

So, upon further reflection, it appears that the nation's founding fathers intuitively understood a lot about internal controls and skillfully applied those basic concepts when creating our great nation. Happy Independence Day!

Suggested action steps: Take time to reflect on how you can better apply basic internal control concepts, including separations of duties, policies and procedures, and staffing and succession planning, to your work situation.

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