

Process	Sub-Process	What (Objective)	Why (Risk or Exposure)	RETURN TO MENU	How (Applicable Controls)	Control Number
E Fixed Assets	E2 Fixed Asset Accounting	Fixed assets are classified and recorded in accordance with acceptable accounting principles and applicable tax laws.	Fixed assets may not be properly reflected and may result in inaccurate financial reporting.		New assets, including those acquired through a business or technology acquisition, and those acquired by capital lease, are entered into the fixed asset accounting system according to County policy, GAAP/GAS and tax laws to ensure proper set-up such as useful life, dollar threshold and asset classification.	E2-1.1.1
					Fixed asset transactions, including replacing, acquiring, constructing, retiring, etc. are approved by appropriate levels of management.	E2-1.1.2
					All fixed asset transactions are recorded accurately and in a timely manner, including ensuring all transactions requested were processed.	E2-1.1.3
					Management reviews and evaluates depreciation methods, asset classifications, and useful lives as necessary (e.g. changes in business plans, market conditions, etc.).	E2-1.1.4
		Fixed assets are properly depreciated in accordance with County policy and acceptable accounting principles.	Depreciation expense may not be recorded on related asset(s) or may be recorded/calculated incorrectly.		The fixed asset accounting system is configured to calculate depreciation on assets correctly and configuration is reviewed.	E2-2.1.1
					Depreciation expense is reviewed for reasonableness versus prior period and budget at least annually.	E2-2.1.2
		Fixed asset detail accounting records accurately reflect the County's investment fixed assets.	Fixed asset detail accounting records may not accurately reflect the County's investment in PP&E.		Fixed asset subsidiary data balances and all supporting schedules are balanced to the general ledger.	E2-3.1.1
		Fixed asset accounting systems and records are appropriately safeguarded.	Loss or unauthorized changes may go undetected.		Access to fixed asset accounting systems and records is appropriately restricted and is reviewed at least annually by management .	E2-4.1.1
		Adequate segregation of duties exists among the authorization, custody of assets, recording of transactions and reconciliation.	Lack of segregation of duties may result in misappropriation of assets, inaccurate financial reporting, errors or irregularities, and/or improper and undetected use of funds or modification of data.		Adequate segregation of duties is maintained as documented in the <u>SOD matrix section</u> .	E2-5.1.1