

Process	Sub-Process	What (Objective)	Why (Risk or Exposure)	RETURN TO MENU	How (Applicable Controls)	Control Number
H Financial Management	H1 Cash and Debt Management	Financing (cash, etc.) strategies are optimized to meet County objectives.	The County's financing strategies may not be optimized, based on the current market conditions.		There is a review of strategies for cash, investment and debt management to ensure activities are optimized in accordance with corporate goals and market conditions.	H1-2.1.1
		All County bank accounts are established and operated by County Finance.	Banking activity authorizations may not be updated and changes may not be communicated to the banks, resulting in misappropriation of County funds.		Bank Account opening and closing is approved by authorized persons within County Finance.	H1-3.1.1
			Individuals may improperly process transactions and/or may be unaware of County policy, resulting in inaccurate financial reporting.		Banking authorizations / official signatures are updated when personnel change and the list is reviewed, approved and communicated to the banks in a timely manner.	H1-3.1.2
					Access to banking systems and records is appropriately restricted and list of authorized individuals is reviewed, at least annually, by management .	H1-3.2.1
				Updated, written procedures are maintained to document administration and accounting of all banking activities and cash transactions.	H1-3.2.2	
		Movements of funds complies with the County's Cash Management Policy.	County funds may be diverted fraudulently and financial statements may not correctly reflect the County's financial position.		Adequate segregation of duties exists among the individuals: 1) approving movements /disbursements of funds; 2) initiating the movements / disbursements; and 3) releasing the funds.	H1-4.1.1
		Funds are disbursed to the correct payee, in the correct account, at the correct time and in the requested currency after receiving proper authorizations and approvals.	Fund transfers may be made without receiving proper authorization and approval, resulting in fraudulent banking activities.		Daily bank debit advice for all transfer of funds / disbursements are reviewed timely and discrepancies are investigated and resolved.	H1-5.1.1
			Funds may not be delivered appropriately; i.e., incorrect payee, incorrect account or incorrect time, resulting in recovery risk for funds or financial property.		Independent verification is obtained before all fund transfers / disbursements to third parties are executed via the bank.	H1-5.2.1
					In the event of an emergency, procedures and policies are in place to ensure that cash can be transferred between bank accounts.	H1-5.2.2
		Controls are in place to ensure disbursements are properly approved, that adequate supporting documentation exists and that payment is accurately recorded.	Disbursements may be unauthorized, recorded for the wrong amount, recorded in the wrong period, or made for goods and services not received.		Stop payments required on checks or Electronic Funds Transfers (EFTs) are transacted in accordance with County policy and procedures, and Bank instructions.	H1-6.1.1
					All requests for wire transfers are properly approved by the department before being processed.	H1-6.1.2
		Only properly authorized personnel can generate manual payments.	Inappropriate manual payments may be generated without authorization.		The ability to print manual payments is restricted to authorized users.	H1-7.1.1
					Manual disbursement activity is monitored by management in accordance with County policy.	H1-7.1.2
					Blank and printed checks and check-stock are safeguarded from destruction or unauthorized use. Signature plates, where used, are safeguarded. All checks are issued numerically, and accounted for on a periodic basis.	H1-7.1.3
		Escheatment payments are made timely and appropriately to the state and are minimized in accordance with County policy.	Untimely and incomplete reporting may result in fines and penalties. Failure to pursue check cashing by third parties may result in loss of relationship with customers, vendors and employees.		The is a mechanism in place to ensure that escheatment payments are minimized and are filed timely with the state.	H1-8.1.1
		Cash balances are forecasted to ensure sufficient cash is available to meet County obligations.	Inaccurate, untimely, or unavailable information regarding cash inflows and outflows may result in failure to optimize the use of County funds.		Cash balances are forecasted on a daily basis using the most current available information.	H1-9.1.1
		The cash balance shown in the balance sheet is reconciled to bank balance monthly.	Unauthorized transactions may be processed and remain undetected which could result in misappropriation or temporary diversion of assets.		Bank accounts are reconciled to the general ledger monthly.	H1-10.1.1
			The cash balance may be inaccurate, resulting in inaccurate financial reporting or fraud, which may not be detected or resolved in a timely manner.		All cash receipts and disbursements are promptly recorded in the general ledger when received or disbursed and a reconciliation is made at an appropriate frequency of all cash transactions to the general ledger.	H1-10.2.1
		Escrowed funds are reviewed periodically (at least annually) and cleared as appropriate (may include escheatment).	Escrowed funds are used for other purposes or stolen.		Escrowed funds are reviewed monthly and cleared per County policies. A periodic review for escheatment is performed and documented semi-annually.	N
		Cash accounting systems and records are appropriately safeguarded.	Loss or unauthorized changes could go undetected.		Access to cash accounting systems and data is appropriately restricted and is reviewed at least annually by management.	H1-11.1.1
Commercial paper is accurately recorded and reported in the financial statements.	Commercial paper authorizations may not be kept up to date and any changes may not be notified to banks, resulting in misappropriation of County funds.		Commercial paper transactions are executed only by authorized individuals.	H1-12.1.1		
			Commercial paper official signatures are updated when personnel change and the list is reviewed, approved and communicated to the banks in a timely manner.	H1-12.1.2		
			Executed commercial paper activity is compared to daily requirements and any unreconciled items are investigated and resolved promptly.	H1-12.1.3		
	Commercial paper may be inaccurately recorded in the financial statements.		Commercial paper transactions are input into the Treasury management system by a person independent from the person who electronically matches and approves the transactions between Treasury management system and the clearing bank before cash transfers.	H1-12.2.1		
			Commercial paper transactions, including principal and interest, are reviewed to ensure postings to general ledger accounts are correct and appropriate.	H1-12.2.2		

H Financial Management	H1 Cash and Debt Management	Financial instruments comply with the County investment policy.	Investments may be in violation of County policy or external regulations, resulting in excessive risks, penalties or losses.	Investment objectives are met in accordance with the County investment policy and all individuals responsible for such transactions are aware of prohibited investment transactions.	H1-13.1.1
			Investments may be made in non-approved counterparties and/or risk exposure may be concentrated inappropriately.	Risk assessments are performed to monitor and develop approved investment limits with financial institutions.	H1-13.2.1
			Investments may be made by unauthorized employees, resulting in misappropriation of County funds and/or non-compliance with County investment policies.	Investment official signatures are updated when personnel change and the list is reviewed, approved and communicated to the financial institutions in a timely manner.	H1-13.3.1
			Instruments may not be held until maturity, resulting in unanticipated gain/loss.	Investment is done in accordance with County policy and the investment position is reviewed regularly to ensure compliance with investment guidelines.	H1-13.4.1
				Requests to redeem investments before their scheduled maturity date must be appropriately authorized.	H1-13.4.2
			Investments, including interest on investments, may not be correctly valued, or recorded in the financial statements	Short term investments, including interest on investments, are reviewed to ensure postings to general ledger accounts are correct and appropriate.	H1-13.5.1
				The accounting treatment of financial instrument types is reviewed with Corporate Accounting prior to set up in the Treasury management system.	H1-13.5.2
		Investment documents may be misappropriated, lost, or destroyed.	Stock certificates are obtained and physically safeguarded.	H1-13.6.1	
		Settlements are disbursed to the correct payee, in the correct account, at the correct time, and in the requested currency.	Incorrect settlement of an investment transaction may occur; such as wrong amount, wrong counterparty etc., resulting in failure to optimize investment and/or misappropriation of County funds.	All settlements are confirmed before auctioning. Any deviations from standard procedures are reviewed to ensure appropriateness and correctness.	H1-14.1.1
		Investment systems and records are appropriately safeguarded.	Loss or unauthorized changes may go undetected.	Access to investment systems and records is appropriately restricted and is reviewed, at least annually, by management.	H1-15.1.1
		Adequate segregation of duties exist 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> .	H1-16.1.1
		Debt financing is approved, recorded and reported in the financial statements.	Failure to establish or maintain appropriate relationship with financing sources may result in failure to optimize investment strategies. Debt financing transaction may not be properly authorized, approved, and/or recorded in the financial statements.	Relationships are established with financing sources before financing is needed. Proper and current relationships are maintained to facilitate access to cash as the need arises.	H1-17.1.1
				Debt financing is approved by authorized persons within the County.	H1-17.2.1
				Debt financing official signatures are updated when personnel change and the list is reviewed, approved and communicated to the financial institutions in a timely manner.	H1-17.2.2
				Debt instruments are entered into the Treasury management system and input is verified with term sheet.	H1-17.2.3
				Rates and rate resets, where applicable, are input into the Treasury management system promptly.	H1-17.2.4
				Changes in debt instruments (partial repayments, extension of maturities, change of terms, and drawdown) are input into the Treasury management system.	H1-17.2.5
				Settlements of principal and interest are verified with the Treasury management system and with bank/ trustee before payment.	H1-17.2.6
		Debt transactions, including principal and interest, are reviewed to ensure postings to general ledger accounts are correct and appropriate.	H1-17.2.7		
		Debt covenants are monitored and adhered to and financial statement disclosures are accurate.	Debt covenants may be violated and unresolved, resulting in financial risk of penalty and non-compliance with County policy.	External debt is in compliance with the covenants contained in loan documentation.	H1-18.1.1
		Debt is managed in accordance with County objectives.	Information may be unavailable to forecast debt requirements, resulting in improper debt management.	Monthly debt report is provided to Senior management, (?? including the debt summary and status of key portfolio metrics for floating rate exposure and average maturity).	H1-19.1.1
Payment due dates are routinely monitored.	H1-19.1.2				
Debt management systems and records are appropriately safeguarded.	Loss or unauthorized changes may not be detected.	Access to debt management systems and records is appropriately restricted and is reviewed, at least annually, by management.	H1-20.1.1		
Adequate segregation of duties exist 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> .	H1-21.1.1		