

Process	Sub-Process	What (Objective)	Why (Risk or Exposure)	RETURN TO MENU	How (Applicable Controls)	Control Number
O Sales & Revenue	O5 Rebates, Discounts & Commissions	Sales Incentive Programs/agreements (discounts, allowances, rebates made in recognition of prompt payment, volume of purchases, etc.) are identified and properly accounted for.	Unethical and/or improper use of sales incentive programs may expose the County to embarrassment or possible litigation; discounts and rebates may not reflect the proper accounting treatment (reduction to sales) of the applicable transaction.		Discount, allowance and rebate programs are reviewed for proper accounting treatment.	O5-1.1.1
		All rebate liabilities have been identified and properly accrued for.	Liabilities for rebates, commissions and product returns may be understated causing sales, liabilities and inventory records to be inaccurate.		Rebate and allowance accruals occur timely, are based on appropriate evidence of activity and are approved by appropriate management.	O5-2.1.1
		Sales Incentive Programs (discounts, allowances, rebates) must be based on legitimate business transactions, correctly calculated, properly recorded, monitored for reasonableness, and supported by appropriate documentation.	Revenues and related cost of sales may be adversely affected, loss of County funds may go undetected, and embarrassment to the County and possible litigation exposure could result from unethical and/or improper use of sales programs.		All rebate and allowance payments are based on appropriate evidence, accurately calculated, reviewed and recorded in the proper period and accounts.	O5-3.1.1
		Customer rebate and discount systems and records are appropriately safeguarded.	Unauthorized changes to discount and rebate tables and records may occur and go undetected.		Access to create or change discount or rebate system tables or records is appropriately restricted and reviewed, at least annually, by management.	O5-4.1.1
		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> .	O5-5.1.1