

Process	Sub-Process	What (Objective)	Why (Risk or Exposure)	RETURN TO MENU	How (Applicable Controls)	Control Number
B Procurement	B1 Purchasing	All purchasing transactions have legitimate business need or purpose, are recorded accurately and are properly authorized in accordance with applicable authority limitations.	Goods or services may be acquired in excess of business need or for unauthorized or personal use. Commitment of funds to suppliers may not be properly approved or reflected and may result in inaccurate financial reporting. Loss of objectivity in vendor selection may result in increased cost to the County.		Requisitions are approved by persons with the appropriate cost / capital approval in accordance with County policy. Transactions are not split to bypass higher level of review or authorization.	B1-1.1.1
					Purchases are executed by individuals with proper execution authority.	B1-1.1.2
					Purchase Orders / requisitions are verified in accordance with County policy to determine if sales taxes are being assigned correctly.	B1-1.1.4
					Supplier rebates are clearly documented to identify volume, dollars and frequency. Volumes are monitored. Rebates are correctly reflected in the financial statements and are collected when due.	B1-1.1.5
					Purchase orders that have not had activity in the past year are reviewed to ensure they are still valid.	B1-1.1.6
					Guidance is in place to minimize purchase orders or equivalent from being created for products or services already covered by an agreement.	B1-1.1.7
					Where applicable, contracts are reviewed for embedded financial derivatives, leases (including capital vs. operating), and guarantees prior to execution. Relevant information is communicated appropriately.	B1-1.1.8
		Purchasing information records held in the system are current.	Purchase contracts /agreements and information records that are not regularly maintained may result in purchases from suppliers other than the optimal vendor or purchases based on inaccurate/ outdated information resulting in financial loss and/or inaccurate financial statements.		Buyers (Departmental and/or Purchasing) review and maintain agreements in accordance with County policy to ensure they are accurate and current. Expiring contracts / agreements are identified and communicated as appropriate.	B1-2.1.1
				When County policy requires a formal contract, properly approved standard contract templates are used whenever possible. Deviations from the standard contract templates are approved by Legal prior to authorization.	B1-2.2.1	
	Unpriced purchase orders (orders where no unit prices are documented) are monitored in accordance with County policy.			B1-2.2.2		
				Emergency orders and requisitions confirming these orders are avoided where possible and used in accordance with County policy. There is a review of emergency order trends.	B1-2.2.3	

B Procurement	B1 Purchasing	The vendor master file reflects vendors that have been approved to do business with the County. Vendor master file additions, deletions, and modifications are completed accurately by authorized personnel.	Fictitious or duplicate vendors may be created. Inefficient use of resources may be caused by duplicate vendors.	Vendor master data files are maintained for accuracy and completeness by authorized users.	B1-3.1.1
				There is a warning / blocking mechanism in place to prevent duplicate vendor information. A review and clean-up of the vendor master file for duplicate vendors and inactive vendors is performed in accordance with County policy.	B1-3.1.2
		Procurement systems and records are appropriately safeguarded.	Financial loss or unauthorized changes may go undetected.	Access to procurement systems and vendor master data is appropriately restricted and is reviewed at least annually by management.	B1-4.1.1
		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> .	B1-5.1.1
		All goods and services are obtained using the most appropriate procurement strategy that includes, e.g. consideration of supplier financial risk, total procurement and life cycle costs (cost is not limited to price) and vendor performance.	Use of an inappropriate procurement strategy to acquire goods or services may expose the County to financial losses or result in lost opportunities to leverage volume purchases, obtain favorable agreements, and receive other benefits for the County.	Vendors are selected according to the most appropriate procurement strategy including leveraging the County volume purchases in accordance with County policy.	B1-6.1.1
				Use of Minority and Women's Business Enterprise (MWBE) vendors is considered and documented.	B1-6.1.1
				Appropriate metrics are established and used to properly monitor vendor performance.	B1-6.1.2
				Sole sources of supply are avoided whenever possible to reduce dependence on one supplier. If sole sources of supply are used for essential materials or services, operational management is notified. Justification for sole source of supply and evidence of notification are documented and maintained.	B1-6.1.3
		Procurement cards and self-approved purchases are in compliance with County policy including proper documentation, approval and accounting.	Individuals may be reimbursed for illegitimate expenses and/or expenses may not be reflected properly in the Financial Statements.	Procurement cards (P-Cards) are granted by an authorized individual based on business need. Transaction limits are established per transaction and per month on individual procurement cards.	B1-7.1.1
				Procurement cards are used in accordance with County policy and supporting documentation is maintained by the cardholder to support the purchase. Procurement charges are reviewed after the fact by line supervisors.	B1-7.1.2
				Self-approved purchases are monitored to ensure the expense was reasonable and a valid County expense.	B1-7.1.3
		All purchasing instruments have been preaudited and are marked accordingly.	Failure to comply with laws and regulations.	All purchase instruments (e.g., contracts and purchase orders) have been preaudited and have a stamp or certificate similar to the following. "This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act".	B1-8.1.1