

Process	Sub-Process	What (Objective)	Why (Risk or Exposure)	RETURN TO MENU	How (Applicable Controls)	Control Number
D Inventory Assets	D1 All Asset Types	All assets subject to inventory requirements are identified.	County-owned Inventory may be stolen or accidentally discarded.		Management conducts a periodical physical inspection for unidentified assets.	D1-1.1.1
		All inventorial items are clearly marked (as appropriate).	County-owned Inventory may be stolen or accidentally discarded.		Management conducts a periodical physical inspection of assets to ensure proper marking.	D1-2.1.1
		Records of inventories are complete and accurate.	County financial statements and other management reports may be inaccurate.		Management periodically reviews lists of assets for completeness and accuracy.	D1-3.1.1
		Material transfers are properly authorized.	Inappropriate materials and/or quantities may be transferred without an authorized requisition or work order.		Transfer of inventory items (location and/or ownership) are properly authorized before the transfer. Movements are recorded properly to reflect the physical location and ownership.	D1-4.1.1
		Inventory changes (i.e., quantities) are reviewed and approved.	Inventory items may be misused and/or misappropriated.		Only authorized users have the ability to change inventory values (quantities); all additions, deletions and changes are reviewed and approved by management.	D1-5.1.1
		Inventory balances are accurate and correctly valued (physical verification of inventories and related account reconciliations are performed).	Physical inventory counts may be inaccurate, improperly recorded, or neglected; inventory records may not accurately reflect the existing inventory balances.		Accurate and complete inventories are taken at all County and non-County locations at prescribed frequencies in accordance with the County's policies (e.g., Physical Inventory Guidelines).	D1-6.1.1
					Quantities determined by physical count are reconciled to the perpetual records; significant variances are fully investigated and root causes identified.	D1-6.1.2
					Cycle counts are the preferred method used for inventory counts.	D1-6.1.3
			Inventory balances could be misstated, resulting in inaccurate financial reporting.		Adjusting entries resulting from the physical inventory are properly documented, authorized, and recorded.	D1-6.2.1
		Inventory is valued correctly.	The value of inventory may be misstated.		Inventories are reviewed for valuation (i.e., the inventory's value is at the lower of cost or market value).	D1-7.1.1
Theft sensitive items are identified and secured.	Theft sensitive items are misappropriated.		Theft sensitive items are identified and where needed additional security and inventory procedures are put in place.	D1-8.1.1		
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> .	D1-9.1.1		