

Process	Sub-Process	What (Objective)	Why (Risk or Exposure)	RETURN TO MENU	How (Applicable Controls)	Control Number
E Fixed Assets	E1 Assets Under Construction and Project Accounting	Capital expenditure proposals are prepared, documented, evaluated, authorized and maintained in accordance with County policy and consistent with business objectives.	Capital expenditures may not be properly authorized and result in cash outflows that are not necessary or in line with the strategic plan of the business.	RETURN TO MENU	All elements of capital expenditure proposals are documented in accordance with County policy governing capital authorization and are based on relevant and reasonably reliable information.	E1-1.1.1
					Capital expenditure proposals are reviewed and properly authorized prior to the commencement of any work and are assigned a unique identification number.	E1-1.1.2
					Supplemental authorizations are obtained in accordance with County policy when costs are expected to exceed original authorized project/work order amounts.	E1-1.1.3
		Capital expenditures are properly documented and classified, correctly recorded and accumulated in sufficient detail, including segregation between cost and capital, in accordance with acceptable accounting principles, applicable tax laws and County policy.	Project costs may not be recorded correctly, which may lead to disallowance of claimed expenses, misstated corporate assets and depreciation expense, and distorted financial analysis.	RETURN TO MENU	Costs incurred are recorded in the appropriate project / work order / account.	E1-2.1.1
					Costs in support of capital decisions are reviewed and accounted for in accordance with County policy on capitalization vs. expense.	E1-2.1.2
					Leases are reviewed to distinguish between capital and operating leases.	E1-2.2.1
					Project cost reports are compared to authorized budgets and any significant variations are appropriately followed up.	E1-2.2.2
					Open construction detail records support balances reflected in the general ledger.	E1-2.2.3
					Closing report detail to be capitalized for each project is appropriately reviewed and recorded.	E1-3.1.1
		Capitalized interest may not be accounted for in accordance with County policy.	Capitalized interest may not be accounted for in accordance with County policy.	RETURN TO MENU	Projects qualifying for capitalized interest are accurately identified to ensure capitalized interest is correctly recorded.	E1-4.1.1
					Capitalized interest is reviewed at least annually for reasonableness.	E1-4.1.2
		Assets ready for use are capitalized in a timely manner.	Depreciation may not be calculated on ready-for-use assets.	RETURN TO MENU	Open construction projects / work orders / accounts are reviewed to ensure timely capitalization of ready-for-use assets.	E1-5.1.1
					Inactive or abandoned projects / work orders / accounts are monitored and properly closed.	E1-5.1.2
		Construction project system and records are appropriately safeguarded.	Loss or unauthorized changes could go undetected.	RETURN TO MENU	Access to construction project systems and records is appropriately restricted and is reviewed at least annually by management.	E1-4.1.1
		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.	RETURN TO MENU	Adequate segregation of duties is maintained as documented in the <u>SOD matrix section</u> .	E1-6.1.1