

‘Must Do’ Management Actions

‘Hard’ Controls (Mandatory Internal Control and Checks and Balances)

1. Review and document the reconciliation of the monthly department financial statements to the appropriate supporting documents to assure all items are authorized University purchases/charges.
2. Reconcile labor distribution reports to timesheets/exception reports (including reconciling leave accrual amounts to leave slips).
3. Separate incompatible duties (e.g., pro-card holder/approval authority, cash receipts handling/accounts receivable posting, payroll preparation/verification, etc.) among different department staff members.
4. Identify active/inactive research accounts used by departmental faculty, and assure/implement a process through which the activity (including personnel requisitions, expenditures, and document retention) is approved by the Principle Investigator (PI) and periodically reviewed by the department chair and that this process is in accordance with University and funding source (grant, program, etc.) requirements (capital equipment approval, contract approval, etc.). Ensure that inactive project grants are closed according to University procedures.
5. Count and balance your petty cash/change fund as determined necessary, and reconcile (by another person) as appropriate.
6. Deposit daily or periodically with the Cashier’s Office any cash/checks received in your business unit as authorized by the State Administrative and Accounting Manual (SAAM).
7. Review in detail the supporting documentation for any action that you authorize, approve, review, or sign.
8. List and account for each equipment asset and its location valued at less than \$5,000 (assets not included on the University’s inventory listing).
9. Review the status (i.e., collection/payment) of the department’s accounts receivables/payables.
10. Reconcile external bank accounts and credit card transactions (if applicable) at least monthly.

‘Soft’ Controls (Internal Controls to Strengthen Oversight and Encourage Compliance)

1. Complete the Annual Risk Assessment and/or Internal Control Review at least annually.
2. Implement a workable, current version of a departmental procedure/policy manual, and update/develop the manual at least annually.
3. Avoid circumventing any established internal controls over department operations.
4. Identify a group of peer managers (other University departments, list serves, users groups) as a pool of resources and establish a two-way line of open communication among those individuals.
5. Review operational processes on a continuous basis for duplication of effort.
6. Identify strengths/weaknesses within your employee pool and re-organize duties accordingly to develop a stronger team. Encourage employees to participate in professional development activities.
7. Be alert to fraud risks and ‘red flags’ for fraud occurring in your unit’s operations.
8. On a regular basis compare/analyze the actual revenue and expenditures for cost objects to the amount of budgeted revenue/expenditures or contracts (i.e. financial analysis).
9. Provide relevant financial reports/status updates to appropriate Dean/Director on a regular basis.
10. Document all reconciliation’s, verifications, approvals, etc. to assure a defined audit trail of all transactions exist.