

 <p data-bbox="228 247 456 352"><b>ASB PROCEDURES MANUAL</b></p>	<h1 data-bbox="544 205 1096 247"><b>INTERNAL CONTROLS</b></h1>	<p data-bbox="1214 275 1360 344"><b>REVISED 10/18</b></p>
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## INTRODUCTION

Internal control is a plan of organization under which employees' duties are arranged and records and procedures are designed to make it possible to exercise effective accounting control over assets, liabilities, revenues, and expenditures. Good internal controls are designed to:

- Safeguard assets
- Ensure the accuracy and reliability of accounting data
- Promote operational efficiency
- Ensure adherence to managerial policies and state and federal statutes
- Assign accountability

## SEGREGATION OF DUTIES

Employee responsibilities should be subdivided so that no single employee is responsible for authorizing, processing, recording and reviewing a single transaction. This system helps ensure that errors and irregularities do not occur or that if they do occur, they are identified and corrected promptly. In a one-person office, it is critical that management routinely reviews and approves individual transactions to maintain the required segregation of duties.

## DOCUMENTATION

All ASB transactions should be promptly and accurately recorded on district authorized pre-numbered documents. The numeric sequence of documents should be accounted for.

## ROUTINE RECONCILIATIONS

An independent party should routinely compare recorded figures to actual assets. Some reconciliations such as deposit reconciliations and bank reconciliations are prepared on a monthly basis by building and/or district personnel. Other reconciliations are the responsibility of an independent, outside party such as routine reviews by internal auditors or state examiners. All

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reconciliations are designed to ensure that documents accurately reflect the value of district assets.

## **SECURITY**

Physical access to cash, checks, pre-numbered documents, fundraising products, ASB records, and other ASB assets should be limited to authorized individuals. Limited access protects assets and assigns responsibility in the event of missing items.

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When an employee leaves the district or changes position, somethings to consider:

- Change the safe combo
- Alarm codes and passwords
- Keys
- Procurement/Credit Cards
- Bank Accounts/Signature Cards/Online Banking
- Accounting and Student Information System access

## **RECORDS RETENTION**

The Washington State Division of Archives and Records Management establishes the time period for retaining all documents. Retention of documents is necessary for future review by state examiners and to provide supporting documentation for future research of previous transactions. See the Records Retention section for archiving guidelines.