

Audit Alert

Segregation of Duties

This alert is being issued as a reminder that County agencies, departments, and Elected Officials' offices should ensure that adequate segregation of duties controls exist throughout their respective operations.

Segregation of Duties is an internal control activity designed to enhance accountability, prevent or reduce the risk of errors and fraud, and ensure accurate operational and financial reporting. Segregation of duties involves separating tasks among different employees so that no one person is solely in control of a transaction or process.

Specifically, no one individual should be able to:

- ◆ Initiate a transaction;
- ◆ Approve the transaction;
- ◆ Record the transaction;
- ◆ Reconcile transaction balances or activity;
- ◆ Take custody of or handle related assets; and
- ◆ Review the respective reports.

When duties are not feasible to separate, compensating controls (i.e. detailed supervisory review) should be implemented to mitigate the risks.

Benefits of Implementing Segregation of Duties Controls:

- Increased Safeguards of County Assets and Information
- Accurate Operational and Financial Reporting
- Reduced Risk of Theft, Loss, or Misappropriation of County Assets
- Reduced Risk of Non-Compliance with Applicable Laws and Regulations
- Increased Accountability, Monitoring, and Oversight of County Assets

For additional information, contact the Internal Audit Department at internalaudit@cobbcounty.org or (770) 528-2556.



Did You Know?

Segregation of duties is a deterrent to fraud and/or the concealment of errors because it requires collusion (cooperation) with another person to perpetrate a fraudulent act or conceal it.

