

Audits and Internal Controls

1. The business office will implement new internal control procedures that will provide the agency with a quality internal control system. Some internal controls include:
 - a. Business office financial software security levels:
 - (1) The director of business service will be restricted from any form of data entry including accounts payable, accounts receivable, journal entries, payroll and community invoicing. She/he will have the responsibility of approving all the above and post these batches or entries to the system.
 - (2) Payroll staff will be restricted from any human resource functions in the human resource module of the software that includes adding, changing or removing employees from the system. Employee master files will be maintained by the human resources department.
 - (3) Business office staff will be restricted from posting or approving any item to the financial statements. This function will be performed by the director of business services and his/her backup.
 - (4) If the system security does not allow the internal control function identified in the annual audit, the director of business service and/or the technology department will contact the software vendor in order to upgrade the security system. The business office will find other methods to implement internal controls as stated by the auditors until upgrades are complete.
 - (5) When staffing levels in the business office preclude proper implementation of these internal control securities, the internal controls will be revised.
 - b. Other internal control procedures as identified in *Willamette Education Service District Department Guidelines - Internal Controls*.