

SEGREGATION OF DUTIES: SELF- ANALYSIS

This worksheet is a helpful tool designed to highlight areas of the risk of duty segregation which will allow for determining where additional procedures by the Board are required. The “Generally Performed By” column is offered as a guide to what is common in the industry.

Work your way down the list and place a check-mark in the “Yes” or “No” column. Then, total up the check-marks in each column and compare them to our grading system below.

Task	Generally Performed By	Yes	No	Important Notes
Approve invoices for payment	Property Manager	<input type="checkbox"/>	<input type="checkbox"/>	
Review/Make compensation adjustments	Property Manager	<input type="checkbox"/>	<input type="checkbox"/>	
Discuss matter with BOD or Audit Committee	Property Manager	<input type="checkbox"/>	<input type="checkbox"/>	
Sign checks	Financial Analyst	<input type="checkbox"/>	<input type="checkbox"/>	
Complete non-lock box bank deposits/slips	Financial Analyst	<input type="checkbox"/>	<input type="checkbox"/>	
Perform interbank-transfers	Financial Analyst	<input type="checkbox"/>	<input type="checkbox"/>	
Monitor monthly reports by performing analytical procedures	Financial Analyst	<input type="checkbox"/>	<input type="checkbox"/>	
Review bank reconciliation	Financial Analyst	<input type="checkbox"/>	<input type="checkbox"/>	
Record billings and receivables	AP/AR Clerk	<input type="checkbox"/>	<input type="checkbox"/>	
Reconcile bank statements	AP/AR Clerk	<input type="checkbox"/>	<input type="checkbox"/>	
Record credit/debits	AP/AR Clerk	<input type="checkbox"/>	<input type="checkbox"/>	
Reconcile petty cash	AP/AR Clerk	<input type="checkbox"/>	<input type="checkbox"/>	
Process vendor invoices	AP/AR Clerk	<input type="checkbox"/>	<input type="checkbox"/>	
Print/Write checks	Receptionist	<input type="checkbox"/>	<input type="checkbox"/>	
Mail checks	Receptionist	<input type="checkbox"/>	<input type="checkbox"/>	
Disburse petty cash	Receptionist	<input type="checkbox"/>	<input type="checkbox"/>	
Open mail and log cash receipts	Receptionist	<input type="checkbox"/>	<input type="checkbox"/>	
Record payroll and payroll hours	Payroll Clerk	<input type="checkbox"/>	<input type="checkbox"/>	Should be separate from AP Clerk
Distribute payroll	Superintendent	<input type="checkbox"/>	<input type="checkbox"/>	Should be directly from Payroll Clerk or payroll company
Receive bank statements and are the signatories on the account	Board	<input type="checkbox"/>	<input type="checkbox"/>	Should be opened by the Board and then supplied to the Managing Agent
Sign important contracts	Board	<input type="checkbox"/>	<input type="checkbox"/>	
Approve payroll	Board	<input type="checkbox"/>	<input type="checkbox"/>	Written approval should be noted
Monitor monthly reports	Board	<input type="checkbox"/>	<input type="checkbox"/>	Mention of review should be included in minutes of Board Meeting

Proper segregation of duties is the most appropriate protection from fraud. This self-evaluation is solely intended to easily identify potential shortcomings in a small organization’s structure. If the sum of the check-marks in the “No” column is higher than the “Yes” column, or if you have any questions concerning variations that you detect from these generalizations, feel free to contact us at Czarnowski & Beer.