Segregation of Duties Policy

Segregation of Duties Policy: Introduction

- As a result of annual audits findings, a Segregation of Duties Policy has been implemented.

- The policy serves as a joint policy from Procurement Services, the CG's Office and HRD to minimize the risk of fraud or error.

- Phase 2 of the Segregation of Duties policy will address the certification process, administration, governance, and funding for software that is expected to reduce, if not eliminate, manual processes for the agencies.

Segregation of Duties Policy: Purpose

- Provides management in state agencies with standard Segregation of Duties Guidelines.

- Ensures that agencies are aware of their role and responsibilities for implementing internal controls.

- Establishes policies and procedures to ensure that transactions are executed by the appropriate personnel.

Segregation of Duties Policy: Overview

- Segregation of Duties (SOD) separates roles and responsibilities to ensure a transaction cannot be processed from initiation to reporting without the involvement of others.

- Adequate SOD reduces the likelihood that errors will go undetected, thus reducing the potential for fraudulent activity.

- Each agency is responsible for the appropriate review and assignment of system access.

Segregation of Duties Policy: Overview

- SCEIS security and role assignment are tied to positions, not people.

- Each module has roles for which there are role conflicts.

- Stringent review of roles tied to a position is critical as agency personnel and responsibilities change.

Segregation of Duties Policy: Guidelines

- No one person should be able to control or perform all key aspects of a business transaction or process.
  - Have at least two people involved with each process/sub-process
  - Have two people involved in certain controls (for example, preparation and review of a bank reconciliation)

- Agency Data Owners are responsible for communicating appropriately to ensure proper system access based on an employee's job duties.

Segregation of Duties Policy: Exceptions

- Smaller agencies can find it impractical to have meaningful SOD based on limited staff.
- Direct management involvement provides a strong deterrent to conflicting activities:
  – Manager involvement in transactions
  – Management review of financial data and reports
  – Management review of activities involving finances, inventory, and other assets

Segregation of Duties Policy: Appendices

- Appendices included in the policy are as follows:
  - *Appendix A, Role Conflicts -* provides a concise list of roles by module that have conflicting roles.
  - *Appendix B, Detailed Role Conflict Descriptions/Tasks -* provides the more specific breakdown of each role, the conflicting roles, and the associated tasks.
  - *Appendix C, Finding Roles Attached to Positions -* provides a summary of the methods available for identifying role assignments.

Segregation of Duties Policy: Transactions

- Transactions available to select HR personnel and all agency Data Owners to assist in identifying roles assigned to specific positions include the following:
  - P013 or P013D
  - zwf_user_roles
  - zsec_user_roles_comb
  - zsec_unassigned_pos
  - zhr_vacant_pos_struc
- **The policy may be accessed at:**
  - http://sceis.sc.gov/documents/Segregation_of_Duties_Policy_April_24_2014.pdf