

Finance

Fiscal Responsibility

Training Objectives

- Provide University employees with an understanding of fiscal responsibilities
- Provide a basic understanding of financial management
- Help employees understand their fiscal role within the University
- Define basic internal controls necessary to safeguard the University's assets and reputation
- Help employees identify, mitigate and communicate issues related to common financial risks

What is Fiscal Responsibility?

- Fiscal responsibility stems from laws, regulations and policies and is the responsibility of every University employee
- Fiscal responsibility includes:
 - Financial Management
 - Internal Control
 - Financial Review
 - Policy and Procedure Identification and Compliance
 - Fiscal Communications
 - Identification and Communication of Financial Risks

Financial Management

- Every employee is responsible for protecting and conserving University resources and using them in a prudent manner for their designated purpose
- By practicing good financial management, the University and its employees become accountable to each other, our constituents, and our regulatory bodies
- Good financial management involves:
 - Planning, controlling and accurately accounting for the fiscal impact of University operations
 - Complying with applicable policies, procedures, and laws
 - Creating and implementing internal controls

Financial Transactions

For each transaction you initiate, authorize or process, you should ask yourself the following questions:

- Have you worked with at least one other person to process the transaction?
- Is this transaction properly authorized?
- Do I have documentation (e.g. invoice, contract) to support this transaction?
- Are adequate funds available?
- Does the transaction comply with University policy and external regulations?
- Could this negatively impact the financial health or reputation of the University?

Fiscal Role

- If your job requires you to participate in any way in a financial transaction you have a fiscal role. It is important for all employees to understand their fiscal role.
- Do you know what your fiscal role is and understand your fiscal responsibilities?
- Have you received appropriate training to support your fiscal role and responsibilities?
- To the best of your knowledge, are you properly carrying out your fiscal responsibilities?
- All of the above questions can be applied to employees who report to you as well

Internal Controls

- Internal Controls include expectations of people and their actions, as well as policies and procedures
- Internal Controls are designed to provide reasonable assurance that University objectives are achieved
- Internal Controls focus on the following:
 - Effectiveness and efficiency of operations
 - Reliability of financial reporting
 - Compliance with applicable laws, regulations, policies and procedures

Key Internal Controls

- Segregation of Duties
- Financial Transaction Approval
- Accounting for Financial Transactions
- Asset Protection
- Financial Transaction Processing
- Finance System Updates
- Continuous Monitoring and Updating

Internal Controls

- Segregation of Duties, transaction authorization and financial procedures are necessary to safeguard assets and provide effective accounting control over assets, liabilities, revenues and expenditures
- Restricting access to assets and financial systems to authorized persons within the performance of their duties
- Hiring quality employees with integrity commensurate with their assigned responsibilities
- An effective process of internal review that considers changes in conditions

Internal Controls - Expectations

- Do your words and actions demonstrate your commitment to do the right thing?
- Do you emphasize the importance of integrity and ethical behavior in your interactions with others and in your day to day activities?
- Do you address situations where a person in your unit has circumvented or overridden fiscal policies and procedures?
- Do you ensure that all individuals in your area of responsibility who participate in Financial Transactions have been properly trained?
- Do you assess how well employees perform their fiscal responsibilities during periodic performance evaluations?

Financial Reporting and Review

- Provides reasonable assurance that all University transactions are properly processed, authorized and funded
- Provides reasonable assurance that all University operations are accounted for timely and accurately
- Components of Financial Review:
 - Detailed review and reconciliation of financial transactions to source documents
 - Analysis of the budget to fiscal activity
 - Comparison of prior year activity to current year activity
 - Should be done on a regular periodic basis (e.g. weekly, monthly, quarterly)

Policies & Procedures

- You are responsible for following all University policies and procedures and all external rules and regulations
- Policies are University developed principles and rules
 - Set expectations for employee behavior
- Procedures are business processes that implement policy
- Compliance with policies and procedures is part of internal controls
- Some areas of responsibility may be subject to external rules and regulations

Policies & Procedures - Risks

- Policies and procedures are internal controls purposed with:
 - Protecting University assets
 - Protecting the University's reputation
 - Avoiding sanctions from external entities

Policies & Procedures - Documents

- 5.24 Purchasing
- 5.7 Conflicts of Interest
- 5.18 Nepotism
- 10.13 University Travel
- 10.15 Cash Receipting

Fiscal Communication

- We all share responsibility for complete, transparent and ethical communication
- The following items are some areas that should be communicated to the appropriate level of authority

Fiscal Misconduct

- Misstatements or fraudulent financial reporting that deceive financial statement users
- Misappropriation of assets that involve property theft
- Financial abuse that results in University resources being used inappropriately
- Written notice or warning from a regulatory body
- Guarantees and Indemnification
- Unasserted claims or assessments
- Contingencies
- Subsequent events
- Estimates

Whats next?

- Basic Banner Finance