

State Department of Education

Internal Controls

Internal controls are in place to ensure the integrity of financial and accounting information, timely and accurate reporting, compliance with laws, effective operations, and the probability of detecting fraud and theft.

No SDE employee, section, or unit can process a financial commitment from beginning to end. Requests for purchases must go through several approval levels before a commitment can be made by the SDE or State of Alabama Purchasing. Contracts also go through numerous levels of oversight and approval before they are finalized. Employee travel must be authorized by supervisors and be in accordance with state rules and regulations.

All invoices and claims are checked against the authorizing documents. If the invoices and claims are correct, they are vouchered by accounting staff. A separate accounting unit processes the vouchers and transmits the voucher electronically to the State of Alabama, Comptroller's Office. There the voucher goes through a desk audit. If there is a problem, the voucher is rejected and returned to the accounting section for more information and/or correction. If no problem, a state warrant is printed and returned to the unit or an EFT is created.

When warrants are received, they are given to the section that originated the voucher and reviewed again. Staff travel is paid through EFT with Payroll payments. Other warrants are mailed by the accounting units.

INTERNAL CONTROLS OF ACCOUNTING INPUT TRANSACTIONS

SDE accounting personnel input transactions that have been approved by appropriate supervisory or program personnel. Accounting Control reviews and either approved or disapproves.

SDE accounting personnel have the ability to review infoAdvantage reports to compare and ensure accuracy of all transactions, review receipts against disbursements, and match warrants with the respective voucher numbers.

Application securities (i.e., logon rights, etc.) are in place. Security levels for accountants are assigned by the Accounting Director.

Each accountant is assigned programs and funds for which they are responsible. Accountants monitor transactions for the program / fund to ensure no duplicate payments are made. Payments are tied to purchase orders and contracts to help monitor transactions and prevent duplicate entries. All computer files produced during this process can be reviewed to trace any transaction. In addition, SDE accountants match the warrant with the respective voucher.

Monthly balancing procedures are in place for expenditures and cash receipts. In addition, accountants receive daily LOC reports and review all receipts and disbursements.