

How to Have Segregation of Duties in a Small-Entity Environment

April 5, 2019



Albuquerque Metropolitan
Arroyo Flood Control Authority

&



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Purpose

- Financial duties being placed on state and local government accountants continue to increase and evolve
- Resources many times at smaller organizations can be strained
- We should all learn from each other how to best deal with the environmental factors in which we live

Goal of Internal Controls

- Safeguarding Assets, Ensuring Financial Statement Reliability, Promoting Operational Efficiency, and Encouraging Compliance with Management's Directives
- In a small environment, controls also protect you as a CFO/Finance Manager

Types of Internal Controls

- Preventative or Detective
- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring
- Everyone has some level of controls in their organization

Albuquerque Metropolitan Arroyo Flood Control Authority

Protecting
677,000 People

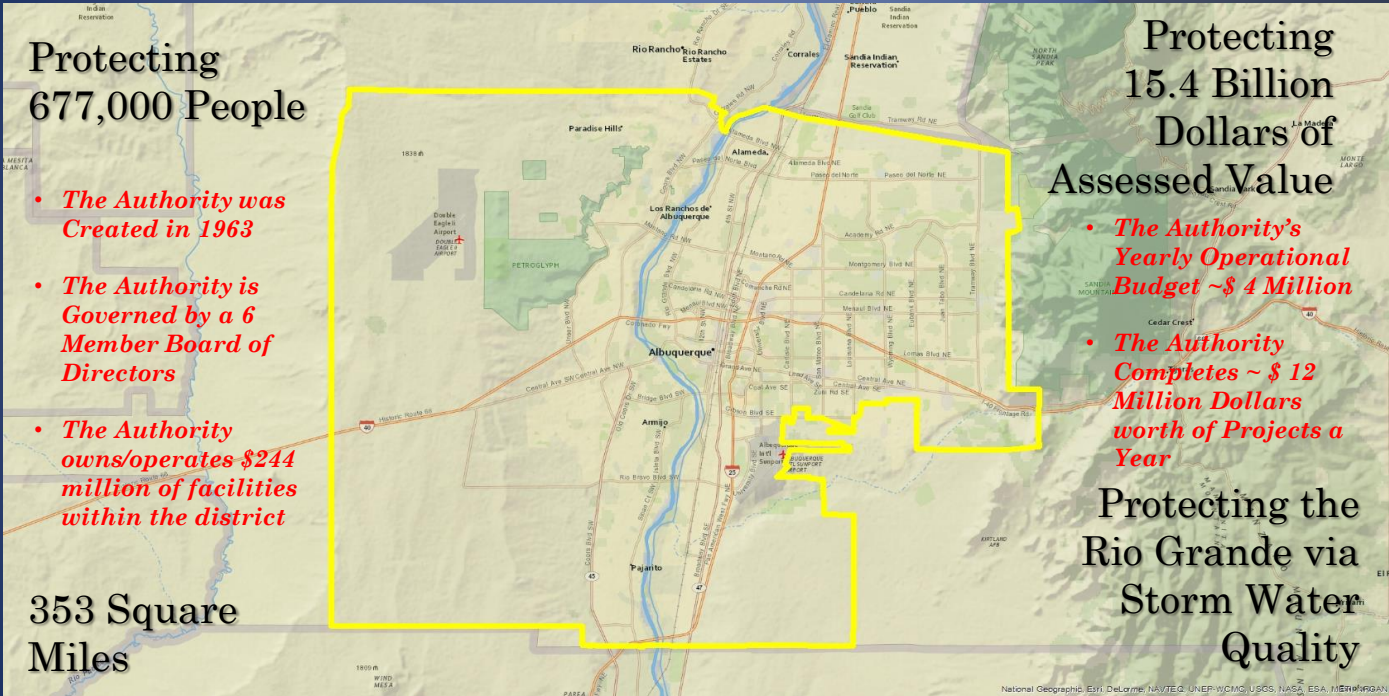
- *The Authority was Created in 1963*
- *The Authority is Governed by a 6 Member Board of Directors*
- *The Authority owns/operates \$244 million of facilities within the district*

353 Square
Miles

Protecting
15.4 Billion
Dollars of
Assessed Value

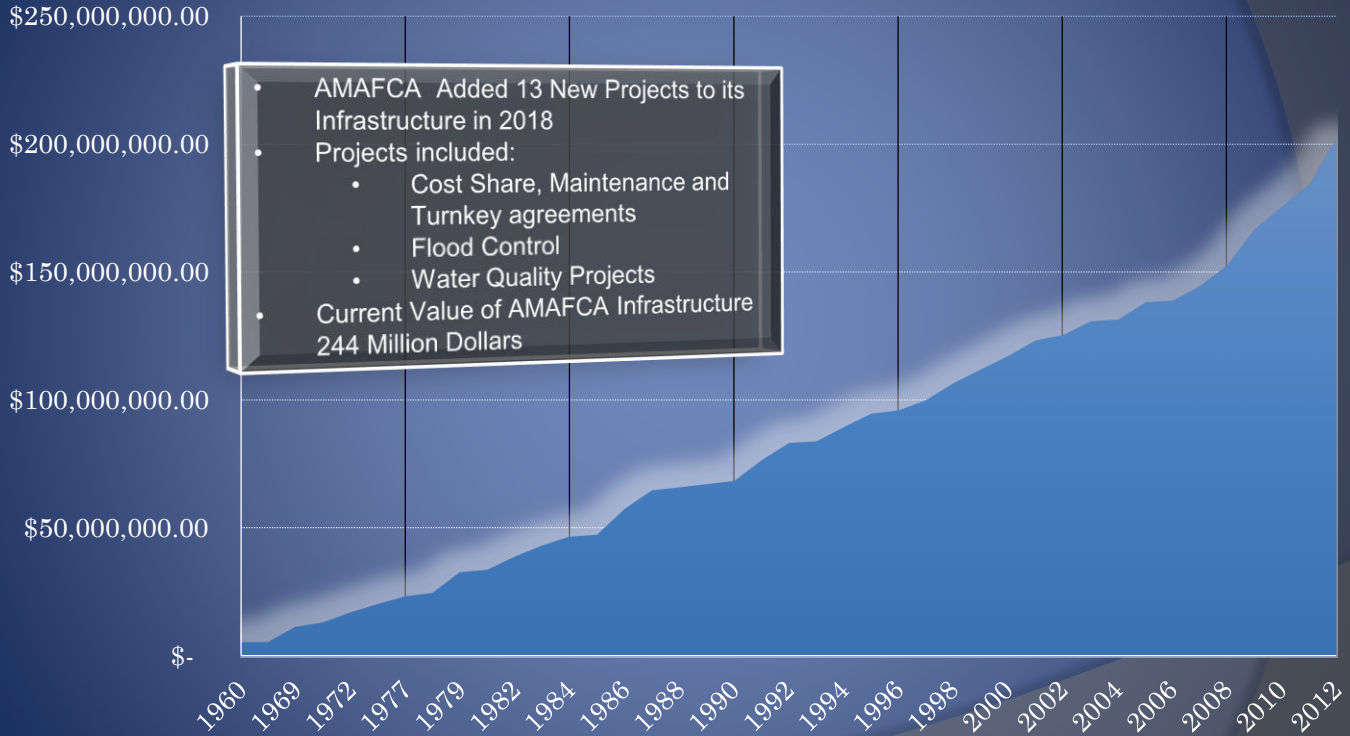
- *The Authority's Yearly Operational Budget ~\$ 4 Million*
- *The Authority Completes ~ \$ 12 Million Dollars worth of Projects a Year*

Protecting the
Rio Grande via
Storm Water
Quality



AMAFCA

AMAFCA Infrastructure Growth



AMAFCA

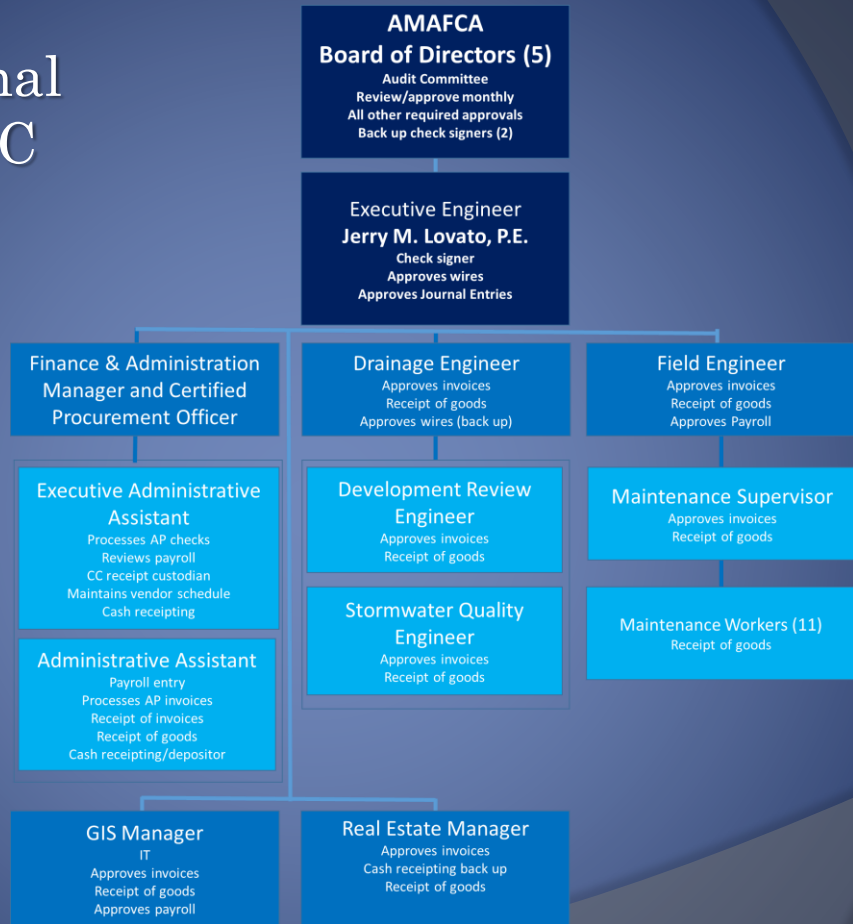
Has a flood control system that includes:

- ⦿ 38 miles of lined channels
- ⦿ 40 miles of unlined arroyos
- ⦿ 11 miles of underground conduit
- ⦿ 71 flood control dams and ponds
- ⦿ 131 Water Quality Structures
- ⦿ 2,400 acres property

Organizational Chart



Organizational Chart with IC



Roles & Responsibilities

AMAFCA

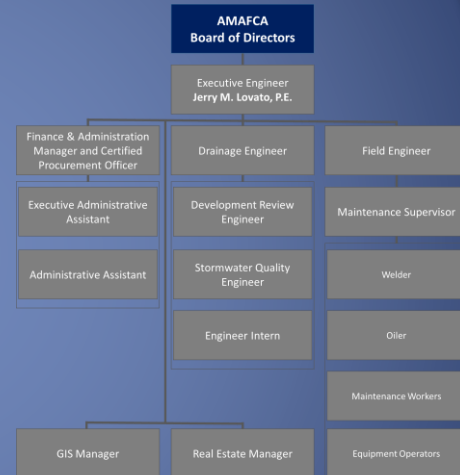
Board of Directors (5)

Audit Committee

Review/approve monthly

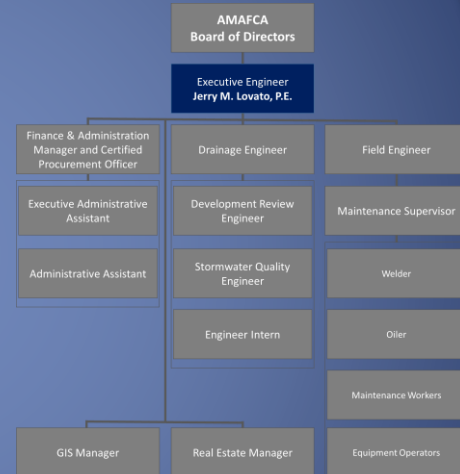
All other required approvals

Back up check signers (2)



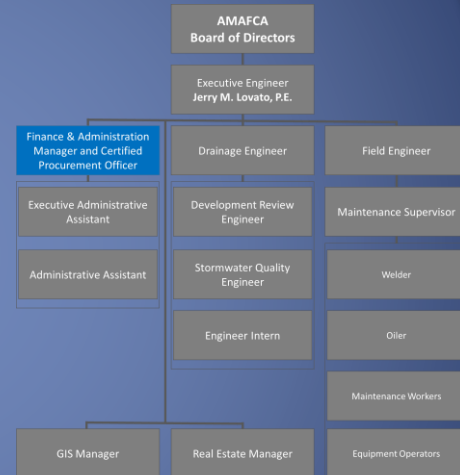
Roles & Responsibilities

Executive Engineer
Jerry M. Lovato, P.E.
Check signer
Approves wires
Approves Journal Entries



Roles & Responsibilities

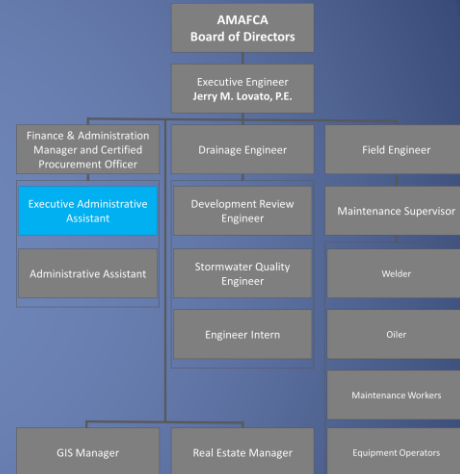
Finance & Administration Manager and Certified Procurement Officer



Roles & Responsibilities

Executive Administrative Assistant

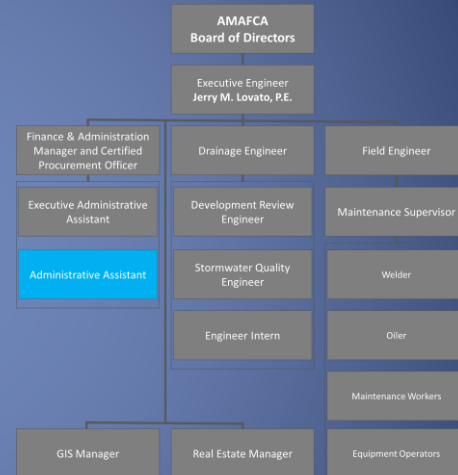
Processes AP checks
Reviews payroll
CC receipt custodian
Maintains vendor schedule
Cash receipting



Roles & Responsibilities

Administrative Assistant

Payroll entry
Processes AP invoices
Receipt of invoices
Receipt of goods
Cash receipting/depositor

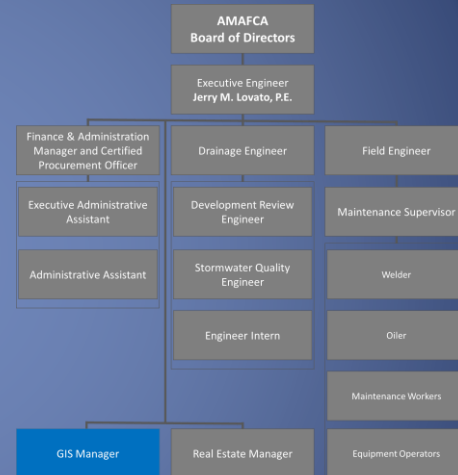


Roles & Responsibilities

GIS Manager

IT

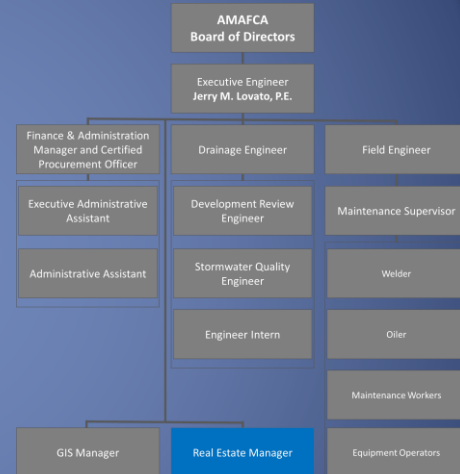
Approves invoices
Receipt of goods
Approves payroll



Roles & Responsibilities

Real Estate Manager

Approves invoices
Cash receipting back up
Receipt of goods



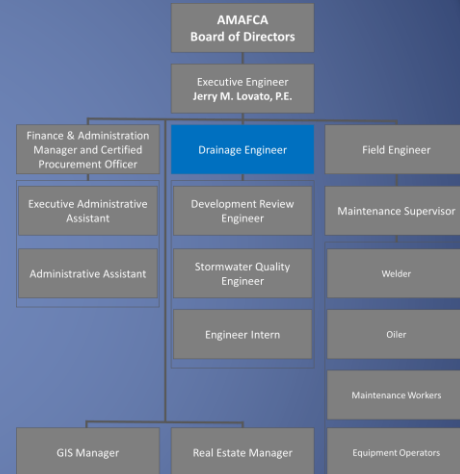
Roles & Responsibilities

Drainage Engineer

Approves invoices

Receipt of goods

Approves wires (back up)



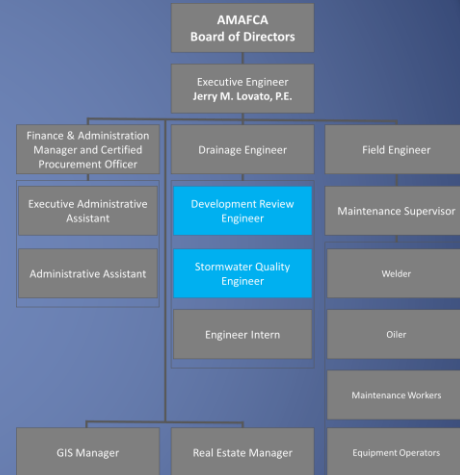
Roles & Responsibilities

Development Review Engineer

Approves invoices
Receipt of goods

Stormwater Quality Engineer

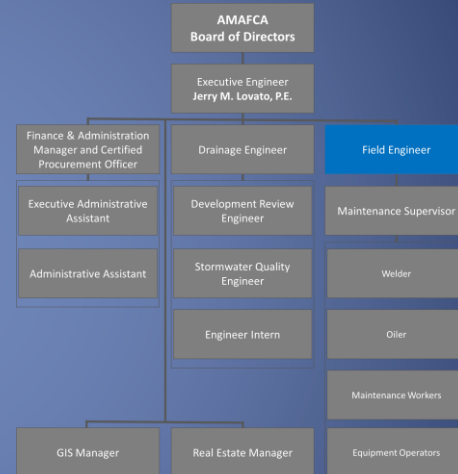
Approves invoices
Receipt of goods



Roles & Responsibilities

Field Engineer

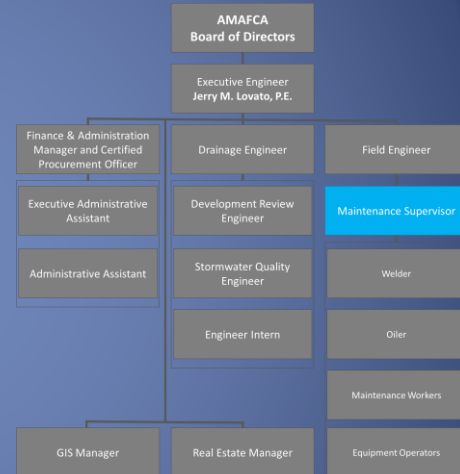
Approves invoices
Receipt of goods
Approves Payroll



Roles & Responsibilities

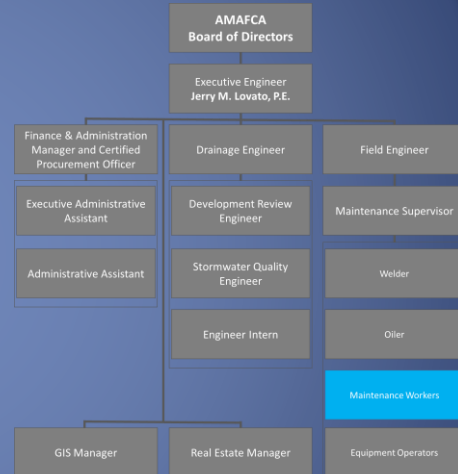
Maintenance Supervisor

Approves invoices
Receipt of goods



Roles & Responsibilities

Maintenance Workers (11)
Receipt of goods



Summary of Significant Transaction Cycles

- Payroll
- Disbursements
- Credit Cards
- RFP/Bids
- Cash Receipting
- Any others?

Group Activity

- We've shown how AMAFCA has made the most of its resources to design and implement effective controls
- Now we want to hear from you
- In small groups, talk amongst each other about innovative ways you have or plan to strengthen your controls for one of your significant transaction cycles



LEADERSHIP AND LEARNING ARE INDISPENSABLE TO EACH OTHER

John F. Kennedy (1917 - 1963)



Questions?
www.amafca.org

