

I. POLICY STATEMENT

Texas Southern University shall maintain a system of internal controls that incorporates appropriate segregation of duties to safeguard University assets, ensure the accuracy and integrity of financial information, and promote accountability in all financial and operational activities. All employees and administrators are responsible for adhering to established control procedures in accordance with applicable federal and state requirements and University policies.

II. PURPOSE AND SCOPE

State and federal requirements, along with established standards of sound financial management, require that accounting transactions be properly authorized, executed, and reviewed in accordance with effective internal control principles. Among the most fundamental of these principles is the segregation of duties.

The purpose of this policy is to establish and define the University's requirements for segregation of duties within financial, administrative, and operational processes. Segregation of duties is intended to ensure that no single individual has the authority to initiate, approve, execute, and reconcile the same transaction or activity. In addition, responsibilities for asset custody, including but not limited to cash, inventory, and other resources, must be separated from accounting and reconciliation functions. These duties are considered incompatible when performed by the same individual.

The proper segregation of duties is essential to maintaining effective internal controls. It promotes accountability, clearly delineates authority and responsibility, and reduces the risk of errors, fraud, misuse of assets, and other inappropriate activities.

This policy applies to all University departments, employees, and any individuals responsible for or involved in financial, administrative, or operational transactions on behalf of the University.

III. POLICY PROVISIONS

A. Design and Implementation

Responsible administrators must consider the principle of segregation of duties when designing and defining job duties. They must implement processes and control procedures that, to the extent feasible, segregate duties among employees and include effective oversight of activities and transactions.

B. Small Unit Constraints

Maintaining segregation of duties is especially challenging for units with small numbers of employees. When these functions cannot be separated, more reliance must be placed on administrative oversight.

C. Compensating Controls

A detailed supervisory review of activities involving finances, inventory, and other assets is required as a compensating control activity.

III. PROCEDURE

A. Documentation

All significant business practices, processes, and policies must be formally documented.

B. Accessibility

Administrators must make these policies and procedures available to all relevant personnel.

C. Maintenance

Administrators must ensure that documentation remains accurate, complete, and current at all times.

D. Revision and Updates

Policies and procedures must be updated to reflect changes in business processes, particularly during the implementation of new systems or organizational restructuring.

E. Communication

Significant revisions must be communicated to affected personnel immediately to ensure awareness of changes to their duties and responsibilities.

F. Training and Transitions

Documented policies should be used to facilitate training and provide operational guidelines during personnel changes, such as new hires or promotions.