



PINAL COUNTY
Accounting Policies and Procedures

SUBJECT: SIGNATURE AUTHORIZATION

PURPOSE: This policy provides guidelines for the appropriate delegation of signature authority and approval authority for financial transactions. A sound internal control environment requires that only authorized signers and their formal designees approve financial transactions in Pinal County. The County relies on these internal control measures to ensure that:

- Only legitimate and appropriate transactions are executed and recorded.
- Transactions are executed as intended and in accordance with Pinal County policy and relevant financial, legal, and contractual requirements.
- Errors are detected prior to execution.

The approval of a financial transaction attests to its completeness, accuracy, and validity. System-executed approvals must carry evidence of approval in the form of the unique user identification of the approver. The signature or system approval shall be interpreted as a certification that the document upon which the approval appears (and any attachments) are accurate and complete and comply with Pinal County policies, and all applicable laws and regulations.

Adequate segregation of duties is critical to effective internal control. Segregation of duties provides necessary checks and balances to deter fraud, detect errors and prevent concealment of irregularities.

In general, the approval function, the accounting/reconciling function, and the asset custody function should be separated among employees. When these functions cannot be separated, a detailed supervisory review of related activities is required as a compensating control activity.

Some examples of segregation of duties are:

1. The person who initiates the purchase of goods or services should not be able to authorize payments.
2. The person who maintains and reconciles accounting reports should not be able to authorize purchase or payments.

An employee must not knowingly prepare or approve a business transaction that is incorrect, inappropriate, fraudulent or in violation of Pinal County policy. An employee with knowledge of an improper transaction must immediately report the occurrence to his/her immediate supervisor, manager, or director. If circumstances warrant reporting the matter outside the department, the report may be made to the Human Resources Director or the Chief Financial Officer.

POLICY: The signature authorization form is used by the department head to delegate signature authority for various types of documents to responsible individual(s) within the department. However, the department head continues to retain accountability and responsibility for the delegated transactions.

1. The Signature Authorization Form is required to verify signature authorization on documents sent to Finance for approval and/or processing.



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2. Each department is responsible for ensuring that all documents sent to Finance are approved by an authorized signer.
3. Department Directors should review the Signature Authorization forms whenever an employee changes position or leaves the department to ensure that the department's signature authority is appropriate. A new form must be filled out each time a signature is added or deleted. When a current update is submitted, the previously filed Signature Authorization Form will become invalid and the form shall be recognized. This process will enhance internal controls and allow the department and Finance to maintain current records.
4. A new Signature Authorization form must be turned into Finance by June 30th each year. This will provide stronger controls on transactions that are processed by the Finance Department. Transactions submitted for the new fiscal year that do not meet this requirement will not be processed until the Signature Authorization form is received.
5. The Signature Authorization Form should be used internally by each department to verify signature authority within the department. This will strengthen internal controls on accounting transactions approved and processed by the department.

