



Warren County Soil Conservation District

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2016/2017 FISCAL AUDIT RECOMMENDATION RESPONSE

Recommendation - Segregation of Duties

The Financial Accounting Manual for New Jersey Soil Conservation Districts, as adopted on August 2015, provides several internal control recommendations relative to the operations of the District. At present, the district manager is responsible for all accounting functions. She is responsible for cash disbursements, payroll, accruals, all journal entries, and financial statement preparation. Additionally, all bank statements are received and reconciled by the district manager and all cash deposits are made by the district manager or administrative assistant. Although the small size of the District's office staff limits the extent of separation of duties, we believe certain steps could be taken to separate non compatible duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. We recommend that management continually take the proper steps to segregate duties in certain areas where possible. Where not practical, management should determine ways to initiate the effect on internal controls due to lack of segregation.

Response

The District recognizes that the segregation of duties is an issue due to the size of staff. All deposits are logged into the check register and deposited by the administrative assistant. All other duties as stated above are handled by the District Manager. Any check written by the District requires two person signature, one of which is the Board Chairman. If staff size ever expands in the future then financial duties will be further segregated..