

# Internal Controls & Financial Integrity

Presentation to:

## Management and Support Staff Academy

# Topics

- The Mandate and Control Hierarchy
- Financial Integrity - the College's Financial Statements (G. Perry)
- President's Letter – why it was important
- The IC Framework –Relationship between Internal Control (IC) and Financial Integrity
- IC – three of the Main Control Areas (D. Jans - Assets, G. Warner – Purchasing, Shipping/Receiving)
- Workday – Data Integrity, Segregation of Duty (C. Ramsay)
- IC – the last two of the Main Control Areas (J. Pede - Payments, P. Gardner - Cash)
- The Financial Integrity Policy
- Q and A

# Mandate for Financial Integrity

## Strategic Mandate Agreement

"The **College** remains **accountable** to the Ministry with respect to **effective and efficient use of provincial government resources** and student resources [...] to maximize the value and impact of investments made in the postsecondary education system"

## Responsibilities of the Board of Governors Policy

"**Ensure** that appropriate **practices** are implemented **to identify and manage institutional risk including** appropriate **monitoring and reporting**"

## Board of Governors Policy Financial Management

"...the President will **incorporate internal controls in the financial systems** used by the College"

## Internal Control Policy

"the Vice President Finance & Administration **ensures the effective implementation** of the **Internal Control** policy **through** the development, implementation, **monitoring of procedures** and plans"

## Major Capital Projects Budget Principle

"...**material increases** to the budget **cannot be incurred without approval** from the Board of Governors. **A material change is deemed to be 15%** of the total expenditures of the project or \$1,000,000, whichever is less"

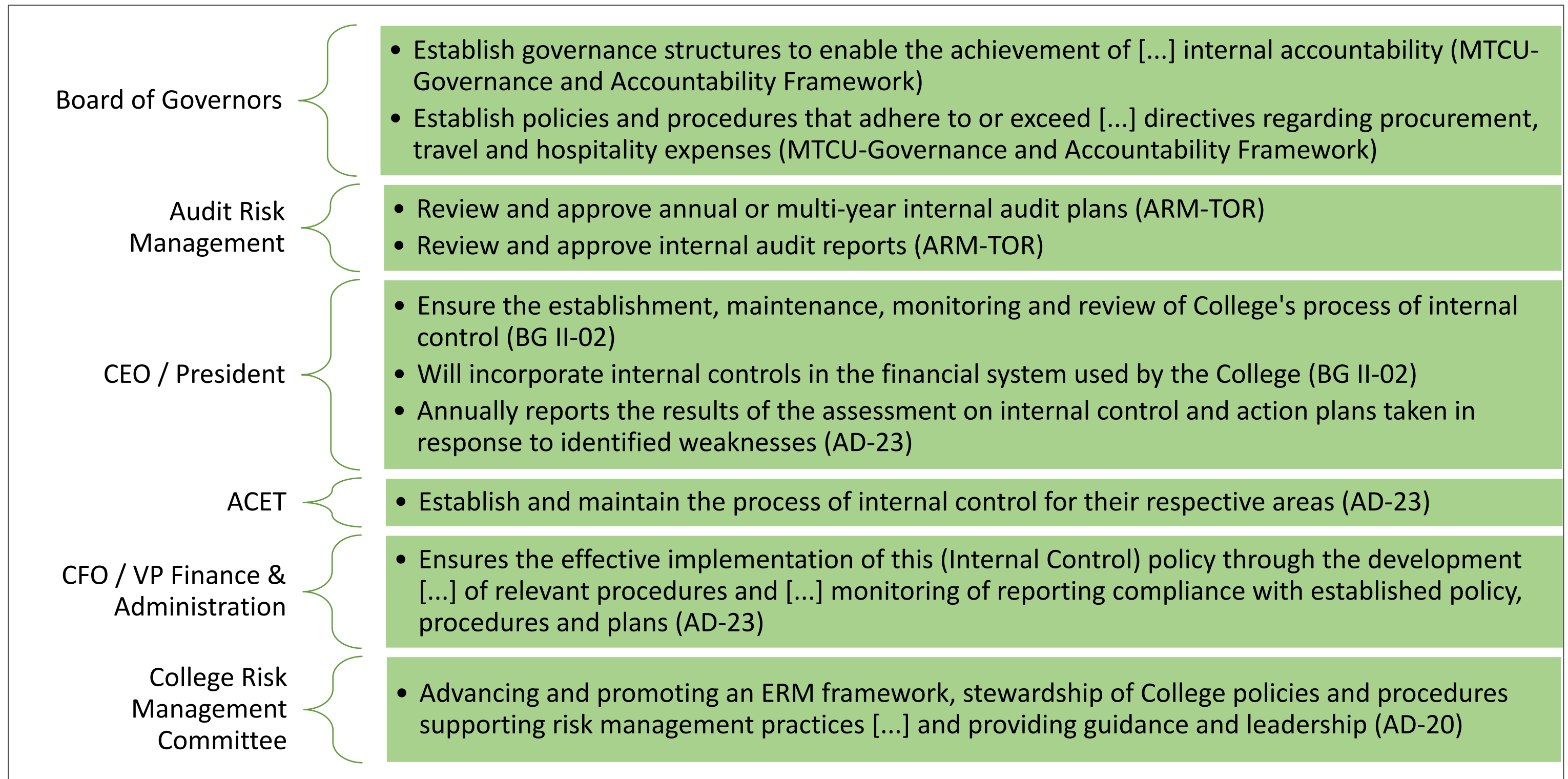
## Strategic Investment Priorities (SIP) Budget Principle

"SIP **projects/programs** and initiatives **must achieve the stated outcomes** and/or success measures **that were presented with the funding request** to President's Council."

## Enterprise Risk Management Policy

"...**maintaining an ERM framework that** is [...] responsive to a changing risk profile and which **brings value** to management decision making **and demonstrates management accountability.**"

# The Control Hierarchy



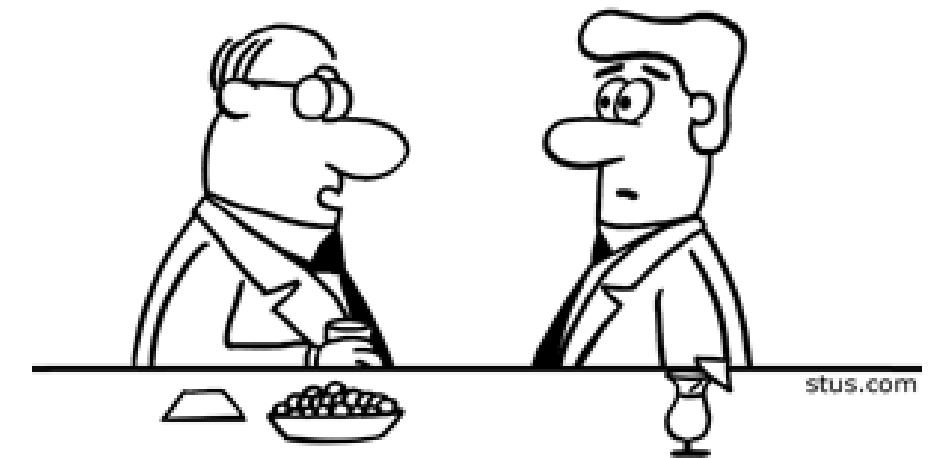
# Financial Integrity - the College's Financial Statements



## Board Governance Policy

### BG I-01 Responsibilities of the Board of Governors

Policy Category :	Board Process		
Date First Approved:	2012-12-10	Date Last Reviewed	2019-03-21
Board Meeting Number:	484	Mandatory Review Date	2024-03-21



This "fiduciary" thingy really complicates pillaging a corporation.

2.3. The Board should ensure that regular reports on the operational and financial situation of the College are completed, including reports on the progress the College is making towards meeting the strategic plan and on performance measures against benchmarks. **The Board should also ensure that necessary and appropriate audit systems are in place** (Appendix B p. 20).

# Financial Integrity - the College's Financial Statements



## Board Governance Policy

BG II -02

FINANCIAL MANAGEMENT

Policy Type:	Board Directives		
Date First Approved:	2012-06-11	Date Last Reviewed	2018-03-28
Board Meeting Number:	474	Mandatory Review Date	2023-03-28



## 4. Financial Controls

4.1 **The President** shall exercise care in accounting for and protecting the financial assets of the College. To this end, the President will incorporate internal controls in the financial systems used by the College.

# Financial Integrity - the College's Financial Statements



- Communication, Collaboration and Training
  - tone from the top, office of internal control, messaging, transparency
- Establish Appropriate Oversight
  - internal controls, internal audits, reviews, segmented responsibilities
- Reliance on Technology
  - automation, processes, analytical review tools, reporting
- Professional Expertise
  - internal and external audit functions, training for staff
- Board Oversight and Involvement
  - audit and risk management committee, approvals of budget, statements and policies

# Financial Integrity - the College's Financial Statements



## Audit Engagement Letter:

- Role of Management and Those Charged with Governance
  - You acknowledge and understand that you have responsibility for:
    - The preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The audit of the financial statements does not relieve you of your responsibilities;
    - such internal controls as you determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and.....

# Financial Integrity - the College's Financial Statements



Agreement of all the terms and conditions in this Agreement is hereby acknowledged by:

*[Handwritten Signature]*

Signature

Deane McNoir

Name (please print)

Vice President  
Finance and Administration  
Position

22 May 2019

Date

# Financial Integrity - the College's Financial Statements



## Corporate Finance Questions

## Message from the President

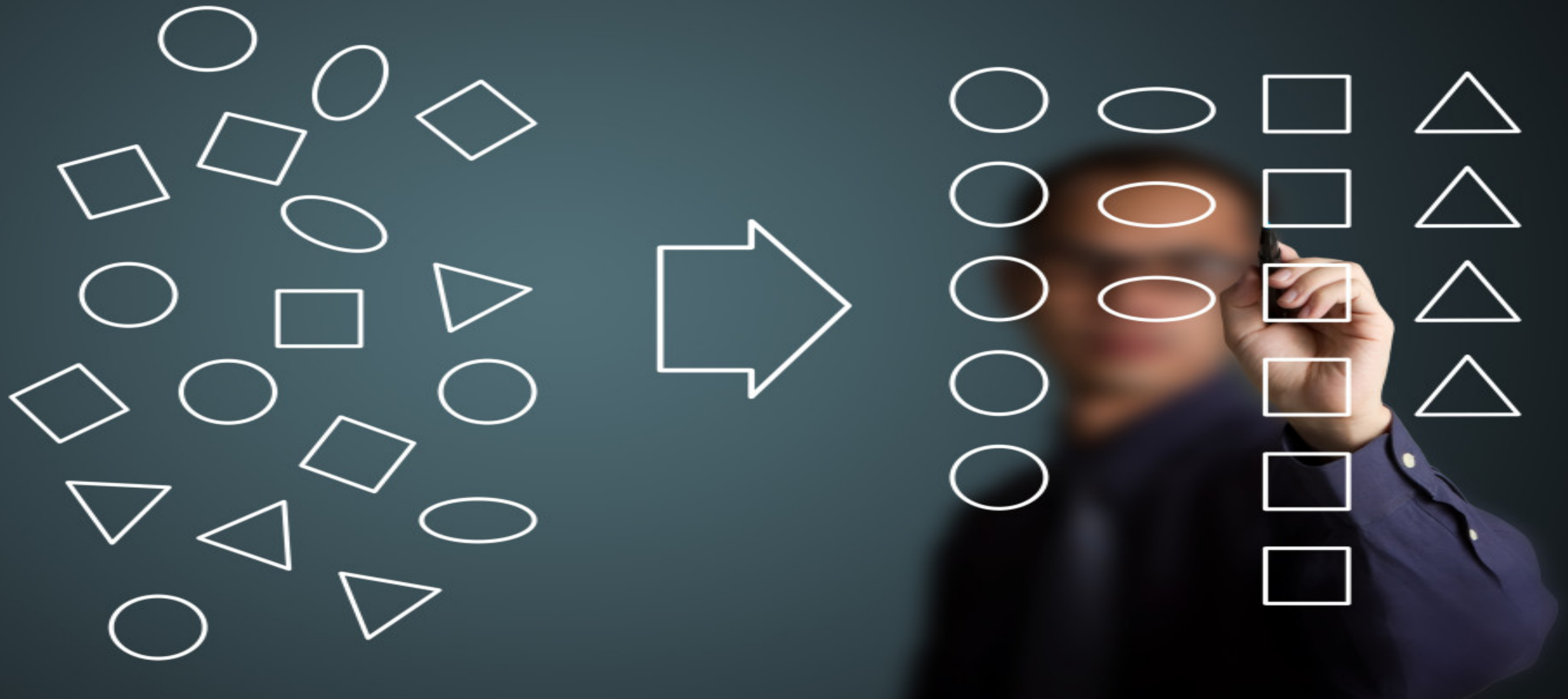
“(The) expansion of our Internal Control Framework will focus on financial integrity by improving awareness of corporate policies and directives, increasing access to training, and conducting cyclical audits. ... (T)he developing Internal Control Framework will advance the ethical and equitable management of our public assets and financial transactions.”

Claude Brulé, January 8th, 2021

# The Internal Control - Financial Integrity relationship

- The IC Framework sets out to improve the predictive ability of our Financial Statements, budgets and reports, and in doing so, improve financial sustainability.
- IC focuses on providing assurance (through review) that business operations are operating efficiently, ethically, equitably, and according to our Bylaws, Policies, and Directives.

# The Purpose of Internal Control - Financial Integrity



*Influence* working methods, behaviours and attitudes

# Safeguarding Public Resources

The College employees are responsible for safeguarding the College's resources.

This includes being aware of and complying with internal control policies and external directives. The Internal Control (IC) Framework is created to assist College employees in carrying out these compliance requirements.

Our 2017-2020 MCU Strategic Mandate Agreement states:

“The College remains accountable to the Ministry for effective and efficient use of provincial government resources and student resources covered by policy directives of the Ministry, or decisions impacting upon these, to maximize the value and impact of investments made in the postsecondary education system.”

# The Framework - Safeguarding Public Resources

## 1. Control Environment

A “positive” control environment is a long-term iterative goal that requires openness and trust.

## 2. Risk Assessment

Risk assessment includes identifying, evaluating, and mitigating operational risks and errors.

## 3. Control Activities

Ensuring access to Directives and Policies, Manuals, and training. Audit activities include operational investigations, review of record keeping, and appropriate attestations.

## 4. Information and Communication

Secure access and storage of personal and corporate data is crucial. Technology systems that are designed to monitor, managed to preserve the integrity, security, and judicious use.

## 5. Monitoring

With the authority of ACET, internal audit seeks to identify operational improvements necessary to mitigate risk and produce a positive control environment.

# The Internal Control Framework



# Internal Control – Improved Integrity structure and supports

- Policy Gaps: Financial Integrity, Delegation of Authority, Contract Signing, Approval Authority
- Access to: Training, Regulatory documents, and Operating Manuals
- Transactional Audits: E-Transfers, Vendor lists, Workday, and Salesforce
- Operational Audits: Asset management, Credit Cards, Shipping & Receiving, Cash
- Investigations: Integrity Counts line, Complaints, and Tips
- Attestation Letters

# The Framework – Main Control Areas

				
<p>Asset Management</p>	<p>Purchasing</p>	<p>Shipping Receiving</p>	<p>Payments</p>	<p>Cash Handling</p>
<p>includes access, disposal, and discounting of assets</p>	<p>includes requisitioning, contracting, and approvals</p>	<p>includes security of goods in transit and record keeping</p>	<p>includes credit cards, invoices, vouching, coding, and approvals</p>	<p>includes security, verifications, and deposit procedures</p>

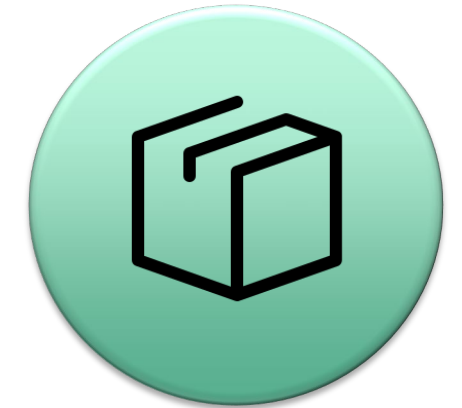
# Asset Management

## What is an Asset?

Any item that is purchased, donated or constructed by the College that has an estimated useful life expectancy of more than one year.

## What is a Capital Asset?

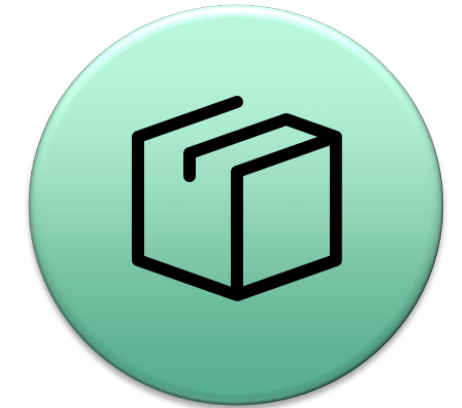
A Capital Asset is an asset with an initial cost of \$5,000 or more, with a useful life of more than one (1) year.



Asset  
Management

includes access,  
disposal, and  
discounting of  
assets

# Asset Management



Asset  
Management

includes access,  
disposal, and  
discounting of  
assets

From the President's January 14<sup>th</sup>, 2021 Letter to Employees:

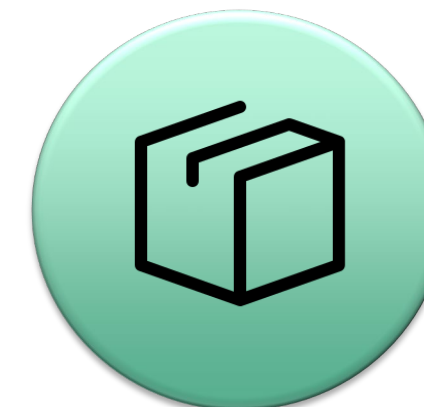
“...Algonquin College is fortunate to be entrusted by the Ministry of Colleges and Universities with an education mandate supported by valuable public assets. It is all of us, the College's employees, who are responsible for the stewardship of those assets...”

# Asset Management

## Notes to the consolidated financial statements, March 31, 2020

### Capital assets

			2020
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	5,370,626	-	5,370,626
Buildings	365,398,526	124,240,914	241,157,612
Assets under development	1,946,357	-	1,946,357
Site improvements	50,564,053	22,633,161	27,930,892
Parking lots	926,213	858,773	67,440
Computers and equipment	39,674,750	32,956,288	6,718,462
Automotive equipment	364,511	260,999	103,512
Software	14,115,847	1,947,701	12,168,146
Works of Art	63,500	-	63,500
	<b>478,424,383</b>	<b>182,897,836</b>	<b>295,526,547</b>



Asset  
Management

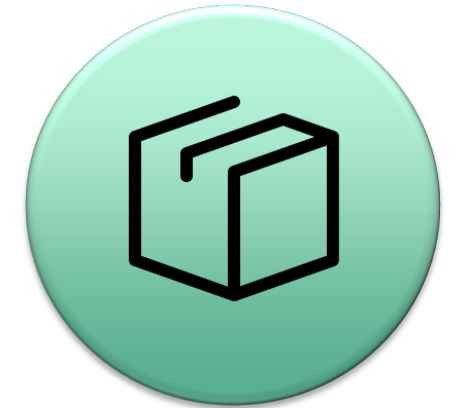
includes access,  
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# Asset Management



\$295,526,547

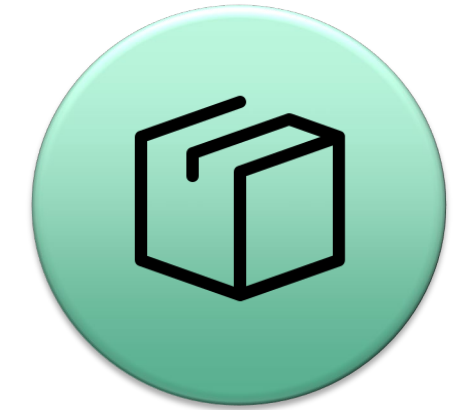
Capital Assets held by the  
College, on behalf of the public



Asset  
Management

includes access,  
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assets

# Asset Management



Asset Management

includes access, disposal, and discounting of assets

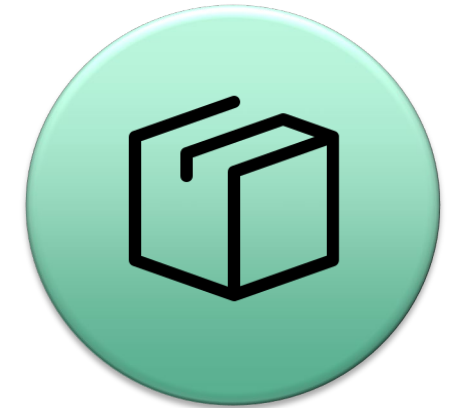


# Asset Management



## Asset Life Cycle at the College:

- Identify the need for the asset
- Acquire / Procure
- Asset Value
- Maintain
- Disposal



Asset  
Management

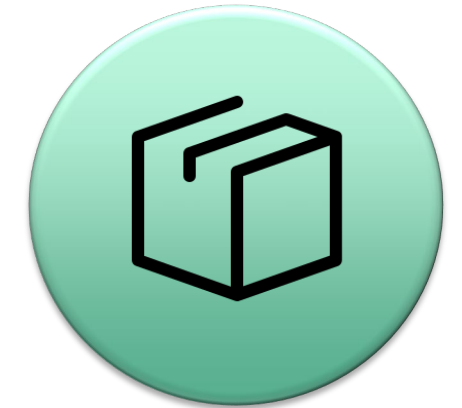
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# Asset Management



## Identify the need for the asset:

- Reason to purchase must be:
  - justified
  - substantiated
  - supportable and supported
- The purchase expense must be included in the cost centre's budget



Asset  
Management

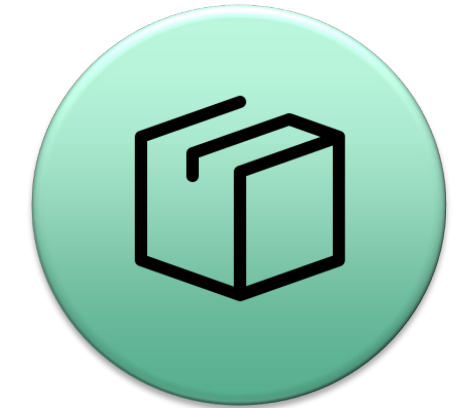
includes access,  
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assets

# Asset Management



## Acquire – Procure

- Comply to Procurement policies and procedures
- Must self-identify on requisition
- Use correct Spend Category on the Workday Requisition



Asset Management

includes access, disposal, and discounting of assets

## Examples:

VEHICLE
SOFTWARE PURCHASES <\$5K
SOFTWARE PURCHASES >\$5K

BUILDING AND SITE IMPROVE
ACAD EQUIP >\$5K NOT IT
ACAD EQUIP <\$5K NOT IT
ACAD IT EQUIP <\$5K
ADMIN EQUIP <\$5K NOT IT
ACAD IT EQUIP > \$5K

ADMIN EQUIP >\$5K NOT IT
ADMIN IT EQUIP <\$5K
ADMIN IT EQUIP >\$5K
COMPUTER HARDWARE PURCHASES
COMPUTER SOFTWARE PURCHASES
COMPUTERWARE PURCHASES

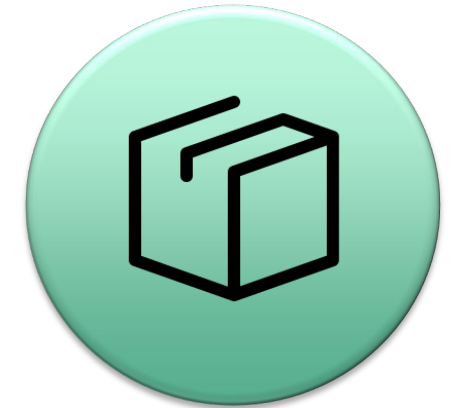
# Asset Management

## Asset Value



- Valuation is per item, not bundled items

- Purchase cost + Non-recoverable HST in Canadian \$\$



Asset Management

includes access, disposal, and discounting of assets

# Asset Management

## Two Asset Value Examples:



1. Purchase cost of:	\$4,000.00 CDN
Non-recoverable HST of 3.41%:	\$ 136.40 CDN
An asset, but <b>not</b> a Capital Asset:	\$4,136.40 CDN

2. Purchase cost of:	\$4,000.00 US
Currency Conversion (@ \$0.70):	\$5,714.29 CDN

Identify as a Capital Asset

Non-recoverable HST of 3.41%:	\$ 194.86 CDN
Capital Asset Value:	\$5,909.14 CDN

# Asset Management

## Asset Value

Capital Asset Depreciation

Capital Asset Value of: **\$5,909.14 CDN**

Example: Depreciated over 5 years

## 5 Year Depreciation of Capital Asset:

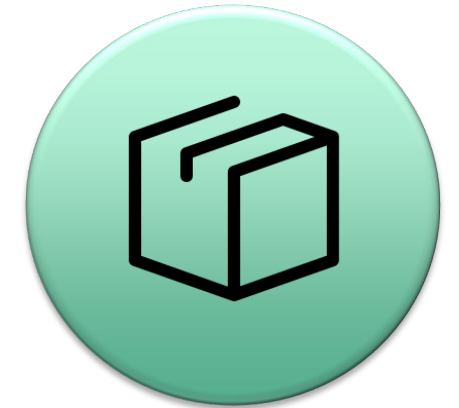
	Original Cost	Opening Book Value	Depreciation Expense	Net Book Value at Year End
Year 1	\$5,909.14	\$5,909.14	\$1,181.83	\$4,727.31
Year 2		\$4,727.31	\$1,181.83	\$3,545.48
Year 3		\$3,545.48	\$1,181.83	\$2,363.66
Year 4		\$2,363.66	\$1,181.83	\$1,181.83
Year 5		\$1,181.83	\$1,181.83	\$0.00



# Asset Management

## Maintain

- Cost centre manager responsible for safe-keeping on behalf of College
- Oversight by Equipment Coordinator
- Kept in proper working condition
- Must remain on College property (exception: mobile tech devices)
- Cannot be borrowed by employees



Asset  
Management

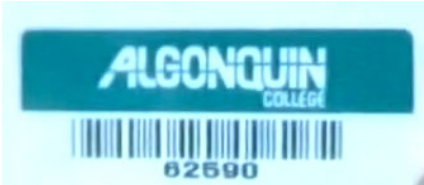
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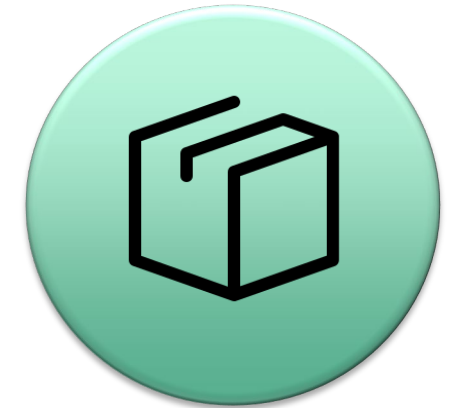


# Asset Management

## Maintain



- Capital Asset green sticker affixed  
Sample: 
- Missing /lost /stolen assets must be reported to Capital Assets Coordinator
- Capital Asset inventory counted every 2 years by Equipment Coordinator
- Exception: food, alcohol, retail store, paper, & spa inventory counts are annual



Asset  
Management

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# Asset Management

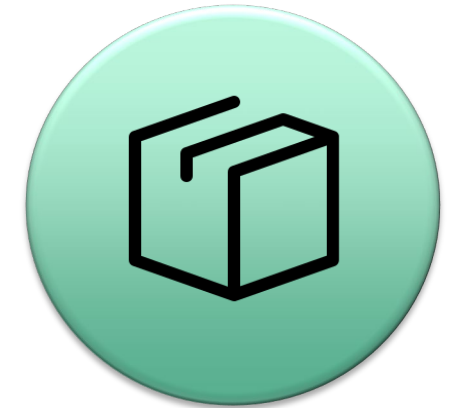


## Disposal

Reminder: Assets are owned by the College, not the Cost Centre Manager

## Disposal is coordinated by the Financial Services Capital Assets Coordinator

- Must be transparent, free of bias, optimize the remaining useful life via sale or donation, or appropriate disposal



Asset Management

includes access, disposal, and discounting of assets

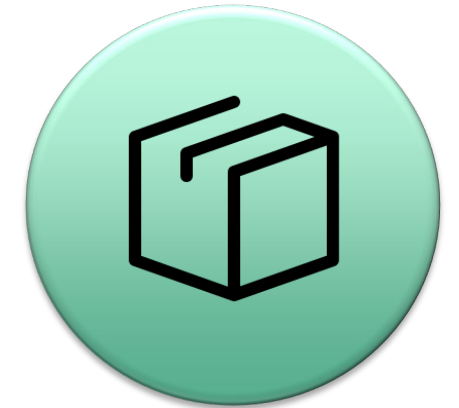
# Asset Management



## Disposal - continued

Disposal coordinated by the Financial Services Capital Assets Coordinator

- Timely disposal
- Departments cannot dispose of their own capital assets
- Cost centre managers must retrieve & safe-keep mobile devices (laptops, cell phones) & other College-paid assets from departing employees



Asset  
Management

includes access,  
disposal, and  
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# Asset Management

## Reference Library:

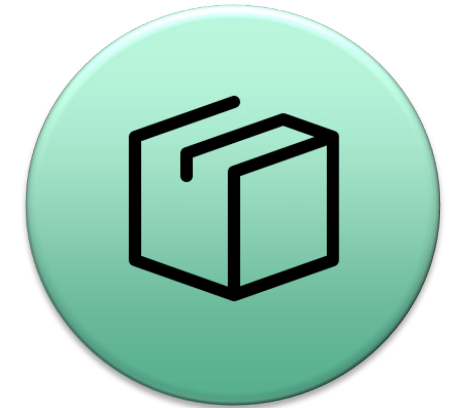
[FP-002-Asset-Management-Policy](#)

[FP-001-Computer-Software-Capitalization-Policy](#)

[Budget-Principle-2.17-Disposal-of-Surplus-Assets](#)

[AD21 Safe-to-speak-up](#)

[AD19 Fraud prevention](#)



Asset  
Management

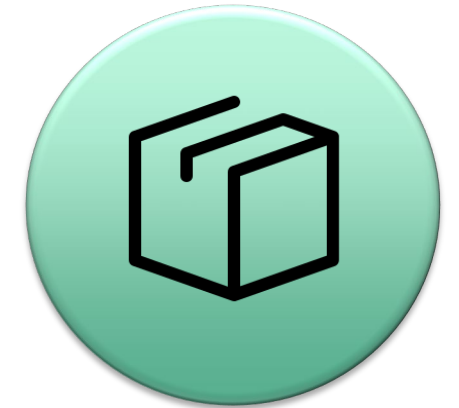
includes access,  
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# Asset Management

## Contact Names:

Capital Assets Coordinator: [Judy Sayeau](#)

Manager of Financial Services: [Doreen Jans](#)



Asset  
Management

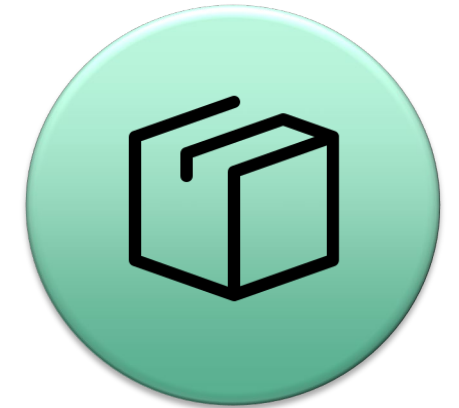
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# Asset Management



**Last thought:**

**How would you protect  
your own  
stack of gold coins?**

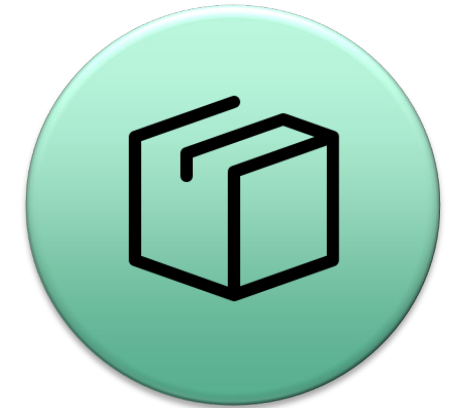


**Asset  
Management**

includes access,  
disposal, and  
discounting of  
assets

# Asset Management

# QUESTIONS



Asset  
Management

includes access,  
disposal, and  
discounting of  
assets

# Purchasing

## Broader Public Sector (BPS) 2012

- Colleges
- Universities
- Hospitals
- School Boards
- Other publicly funded organizations



Purchasing

includes  
requisitioning,  
contracting, and  
approvals

# Purchasing

## Broader Public Sector (BPS) Procurement Directives

- Accountability
- Transparency
- Value for Money
- Quality Service Delivery
- Process Standardization



Purchasing

includes  
requisitioning,  
contracting, and  
approvals

# Purchasing

## Procurement Thresholds for Goods, Services and Construction

Value	Procurement Method	Requirement
< \$2,500*	PCard	No quote
>\$2,500- <\$25,000*	Online purchase requisition	One (1) written quote**
>\$25,000 - <\$100,000*	Invitational Competitive Procurement	Three (3) written quotes**
>\$100,000*	Open Competitive Procurement	Public Tender Process**



Purchasing

includes requisitioning, contracting, and approvals

## Purchasing Goods, Services and Construction continued...

\*All amounts are before taxes and include the aggregate TOTAL amount of the anticipated spend. For clarity, and as an example, if the anticipated spend is \$50,000 per year, but the contract is for a three-year period, this would require an Open Competitive Procurement since the total spend, and the College's commitment would be over the \$100,000 threshold.

\*\*This does not limit Procurement's ability (at our sole discretion) to hold an Open Competitive Procurement event should the item or service be complicated or potentially contentious.



Purchasing

includes  
requisitioning,  
contracting, and  
approvals

# Purchasing Procurement Methods

## 1. Requisition & purchase order

- Should be used for all purchases of \$2,500 or more
- May not be used to reimburse employees
- All capital equipment purchases (individual items over \$5k CDN) must use this method



Purchasing

includes  
requisitioning,  
contracting, and  
approvals

# Purchasing

## Procurement Methods

### 2. Pcard (Purchasing Card)

- Most small \$ purchases of a **non-recurring** nature
- \$2,500 limit per transaction (shipping/taxes/customs included)
- Purchases of capital equipment not permitted
- Purchases of College Standard items not permitted



Purchasing

includes  
requisitioning,  
contracting, and  
approvals

# Purchasing

## Procurement Methods

- College Standard items (as examples)
  - Computers (and other computing devices)
  - Office supplies
  - Cell phones
  - Printers
  - Scanners
  - Desks and chairs
  - Etc.

\*Contact Procurement for guidance if there are any questions.



Purchasing

includes  
requisitioning,  
contracting, and  
approvals

## 3. Corporate Card – (Travel Card)

- Should be used for travel whenever possible
- Card name **must** be that of the Traveler – cannot use someone else’s card or department card
- Includes insurance for lost baggage, missed flights, delayed flights



Purchasing

includes requisitioning, contracting, and approvals

# Purchasing

# Sole/Single Sourcing

Certain goods or services may only be available from one source (i.e. sole/single source supplier). In these cases, a competitive bidding process may not be possible.

The Broader Public Sector Guidelines allow for such exceptions and in these instances a Limited Tendering Form (LTF) must be completed.

**This process is to be used on an exception-only basis.**



Purchasing

includes  
requisitioning,  
contracting, and  
approvals

# Purchasing

## Financial Approvals

### Not to be confused with Signing Authority

- College administrative staff, who hold a supervisory position, are the only staff who have authorization to approve invoices, and purchase requisitions for payment subject to the following limits:

<b>Managers, Chairs, Directors and Deans</b>	<b>Up to \$25,000</b>
<b>Vice-Presidents, President</b>	Within Budget

- These approvals are handled automatically through Workday when purchasing requisitions are processed.



Purchasing

includes  
requisitioning,  
contracting, and  
approvals

# Purchasing Contract/Agreement Signatures Signing Authority

All major agreements and contracts that bind the College require a signature. The actual signature approval should not be confused with the Financial Approvals covered in the previous slide.

Presently, there are only two people at the College who can sign documents, the VP of Finance and Administration – Duane McNair and the President - Claude Brulé



Purchasing

includes  
requisitioning,  
contracting, and  
approvals

# Purchasing

## Purchasing Questions



Purchasing

includes  
requisitioning,  
contracting, and  
approvals

# Shipping and Receiving

## What is “Three-Way Match”?

### \*Segregation of Duty

**A payment verification technique that, through a set of three controls, ensures only authorized purchases are paid.**

**Considered to be best practice in operational accounting and procurement.**

**These controls minimize losses due to fraud or carelessness.**



Shipping  
Receiving

includes security  
of goods in transit  
and record  
keeping

# Shipping and Receiving

## 3 WAY MATCH



Shipping  
Receiving

includes security  
of goods in transit  
and record  
keeping

**INVOICE**  
Your Company Name  
Ship Address: City, ST, ZIP Code  
Phone Number/Job Address, etc.  
DATE: August 20, 2006  
INVOICE #: INV1009

Bill To: C1002  
Test Customer Two  
88 WILLIAM SQUARE  
SYDNEY 12345  
Australia

P.O. #	Sales Rep. Name	Ship Date	Ship Via	Terms	Due Date
	Sales1	8/20/2006	UPS	Net 60	

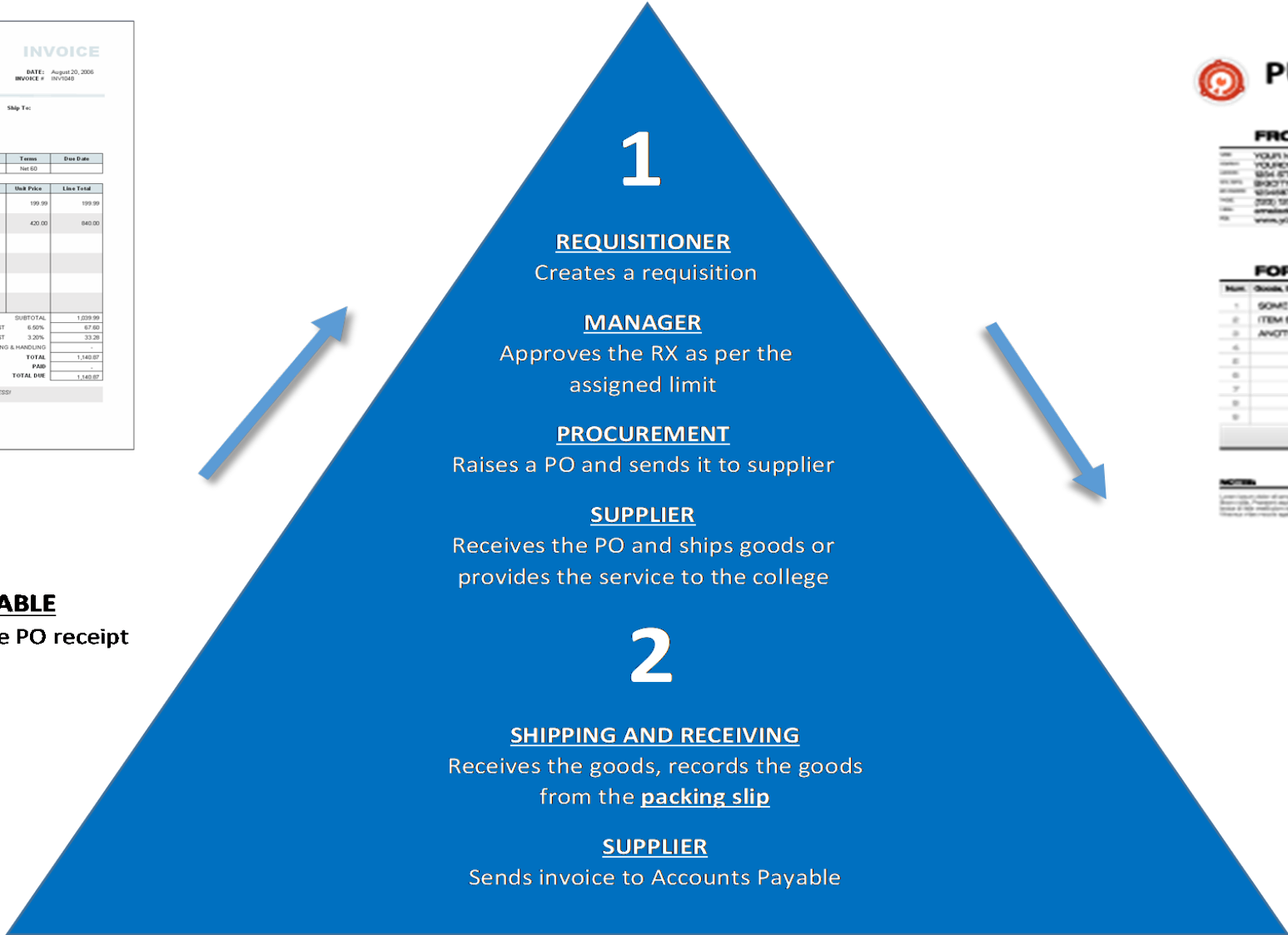
Description	Quantity	Unit Price	Line Total
Very long product description that occupies more than 1 line - in fact, it occupies 2 lines	1	199.99	199.99
One line product description	2	420.00	840.00

SUBTOTAL: 1,039.99  
PST 6.50%: 67.60  
GST 3.20%: 33.28  
SHIPPING & HANDLING: ...  
TOTAL: 1,140.87  
PAID: ...  
TOTAL DUE: 1,140.87

3

**ACCOUNTS PAYABLE**

Pays invoice based on the PO receipt



**PURCHASE ORDER**  
NOVEMBER 24, 2010

**FROM:**  
YOUR NAME  
YOUR COMPANY  
104 STREETNAME  
BROOKLYN, STATE  
12345  
STATE, USA  
555-123-4567  
www.yourcompany.com

**TO:**  
CLIENT NAME  
CLIENT COMPANY  
666 STREETNAME  
BROOKLYN, STATE  
12345  
STATE, USA  
555-123-4567  
www.clientcompany.com

**FOR:**

Item	Quantity	Unit Price	Price
1. SOME SERVICE	1	20.00	20.00
2. ITEM SOLD	1	45.00	45.00
3. ANOTHER SERVICE	1	55.00	55.00

**TOTAL: \$120.00**

**GLOBUS EXPORTS**

**PACKING LIST**

Description of Goods	PKT	Unit	Qty	Remarks
3.0" Cheesecake Mini Cup Case Filler	1	PKT	1	Net Weight : 1.55 Kg Gross Weight : 1.80 Kg
Shrinker Accessories	1	PKT	1	Net Weight : 1.1 Kg Gross Weight : 1.30 Kg

# Shipping and Receiving

## Key Points

- When goods are delivered directly to the end user (not through Central Shipping and Receiving):
  - Proper documentation (packing slip – Always provided) must be signed and sent back to Central Shipping
  - User department (Requisitioner) responsible to provide the signed packing slip to Central Shipping



Shipping  
Receiving

includes security  
of goods in transit  
and record  
keeping

# Shipping and Receiving

## Shipping and Receiving Questions



Shipping  
Receiving

includes security  
of goods in transit  
and record  
keeping

# How Workday Supports the Internal Controls Framework and Financial Integrity

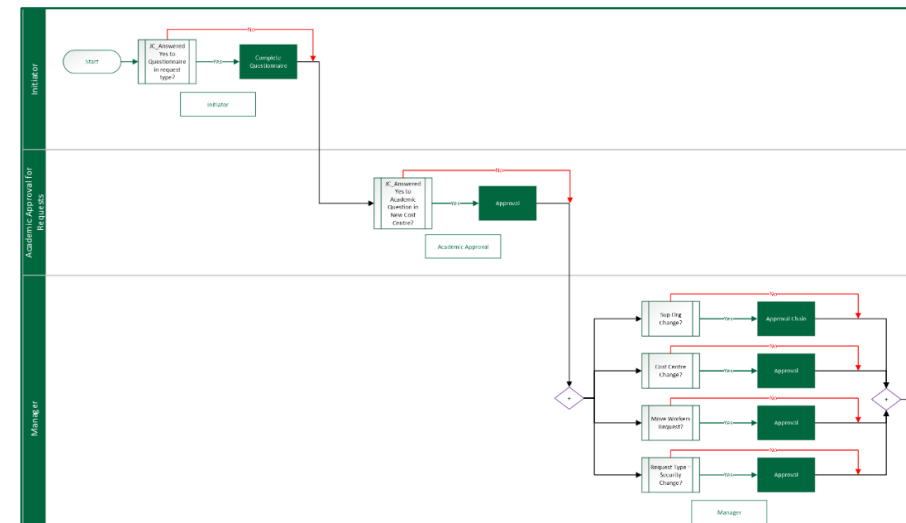


- Security Roles
  - What they are and why they matter
  - When and how to request changes
- Business Processes
  - Record Keeping - steps and who took an action are viewable
  - Repository for supporting documentation – attachments can be mandatory
- Delegation Function



Why can't I....?

Why does it....?



**WHY?**



**Legislative Requirements**  
**College Policies and Directives**  
**Job Descriptions**

# Workday Security and Business Processes in Action



**View Event**  
 Requisition: REQ-000000, Requester: [Redacted], Date: 11-Jan-2021, Amount: \$12,150.00 Actions  
 28 day(s) ago - Successfully Completed

For REQ-000000

Overall Process Requisition: REQ-000000 Requester: [Redacted] Date: 11-Jan-2021

Overall Status Successfully Completed

Calendars In Use Consecutive Days (No Calendars Selected)

Details **Process**

Process History 8 items

Process	Step
Requisition Event	Requisition Event
Requisition Event	Approval by Cost Center Manager
Requisition Event	Approval by Dean/Dir/Exec Dir
Requisition Event	Approval by VP/Senior VP
Requisition Event	Approval by BOG Approval
Requisition Event	Review Requisition
Requisition Event	To Do: Create RFQ if required
Requisition Event	Source Goods and Services Requisition

**View Event**  
 Requisition: REQ-000000, Requester: [Redacted], Date: 15-Jan-2021, Amount: \$516,499.00 Actions  
 24 day(s) ago - Successfully Completed

For REQ-000000

Overall Process Requisition: REQ-000000 Requester: [Redacted] Date: 15-Jan-2021, Amount: \$516,499.00

Overall Status Successfully Completed

Calendars In Use Consecutive Days (No Calendars Selected)

Details **Process**

Process History 8 items

Process	Step	Status	Completed On	Due Date	Person
Requisition Event	Requisition Event	Step Completed	2021-01-15 01:54:15 PM		[Redacted]
Requisition Event	Approval by Cost Center Manager	Approved	2021-01-15 03:08:45 PM	2021-01-17	[Redacted] (Cost Center Manager)
Requisition Event	Approval by Dean/Dir/Exec Dir	Approved	2021-01-18 08:33:09 PM	2021-01-17	[Redacted] (Dean/Dir/Exec Dir)
Requisition Event	Approval by VP/Senior VP	Approved	2021-01-20 01:33:52 PM	2021-01-20	[Redacted] (VP/Senior VP)
Requisition Event	Approval by BOG Approval	Not Required			
Requisition Event	Review Requisition	Approved	2021-01-20 05:35:27 PM	2021-01-22	[Redacted] (Buyer)
Requisition Event	To Do: Create RFQ if required	Not Required			
Requisition Event	Source Goods and Services Requisition	Step Completed	2021-01-20 05:35:50 PM	2021-01-22	[Redacted] (Buyer)

# What is Security in Workday?

**Security in Workday determines what information a user can see and what actions they can take**

**The purpose of applying security correctly is to ensure that the right people have access to the right data and the right actions to perform their job.**

**No more, no less.**



# Why does Workday Security matter to you?

## Your Business Processes – routed to the right person, right away

If employees have incorrect security assignments, requests and approvals in Workday can get misrouted or stuck.

This results in delays and inconveniences to you and your team members.

## Increased Accountability

Managers are responsible and accountable for ensuring their employees have appropriate access to tools to do their job.

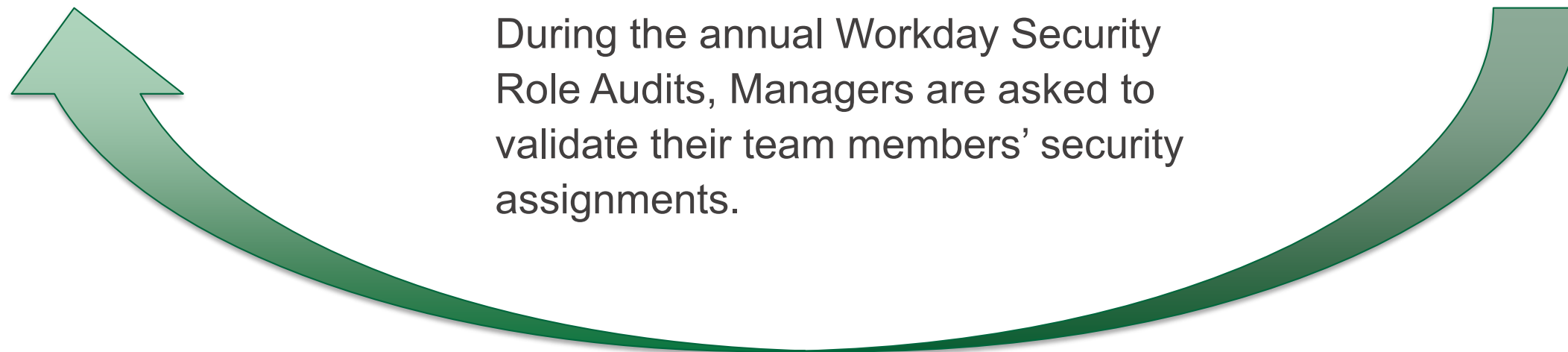
We all need to know and understand our own and our team members' security access in Workday.

During the annual Workday Security Role Audits, Managers are asked to validate their team members' security assignments.

## You know what action to take when changes occur

Over time, employees change jobs, and jobs themselves evolve at the College. Reporting and cost center structures change.

You need to know how to request security be assigned or removed as these changes occur.



# Security in Workday is complex!

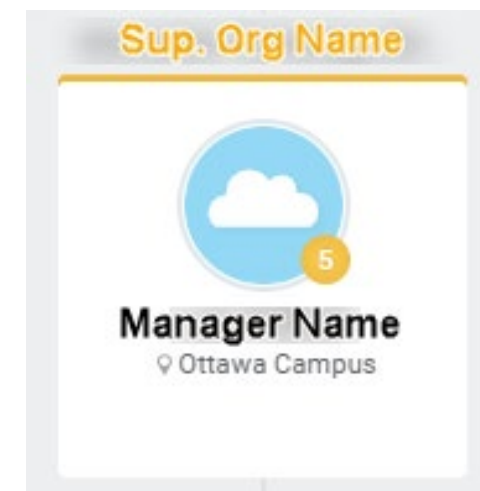
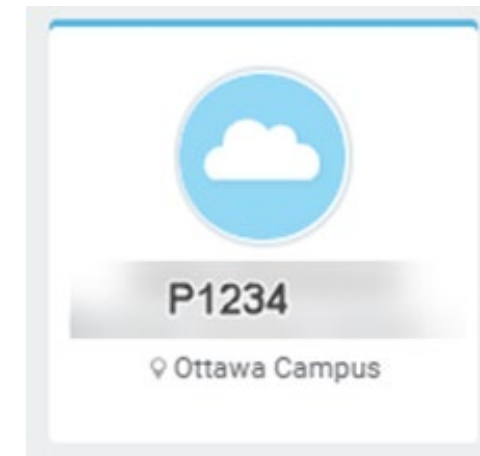
Security in Workday is achieved by assigning (and removing) roles

**Employee-As Self:** the first and most often the only role an employee is assigned.

- Access and change your own personal information
- Perform self-service tasks: enter hours worked, request vacation, submit expense claim, access pay slips....

**Manager:** Owner of a Supervisory Organization

- Administrative employee
- Accountable for approvals



# Security in Workday

## College-wide roles

- Timekeeper (HR- related tasks)
- Accounts Payable Analyst
- Accounts Receivable Analyst
- Business Asset Tracking Specialist
- Customer Invoice Initiator
- Field Accountant
- Cost Center Financial Analyst
- Expense Officer
- Cost Center Manager – approval of transactions < \$25,000 for assigned cost center
- Dean/Director/Exec Director – approval of transactions < \$100,000 for assigned cost center
- VP/ Senior VP – approval of transactions greater than \$100,000 for assigned cost center



# Security in Workday

Almost 100 Security Roles specifically for Finance, Payroll, Human Resources and ITS (Workday Support) employees

- Buyer
- Cash Analyst
- Controller
- Accounts Receivable Analyst
- Accounts Receivable Specialist
- Receiver
- Settlement Administrator
- Costing Administrator
- Payroll Auditor
- Payroll Partner
- HR Partner
- Compensation Partner
- Recruiter
- Compensation Administrator
- .....



**Important to ensure that all roles are assigned in a way that maintains segregation of duty and avoids potential conflict of interest.**

# Security in Workday

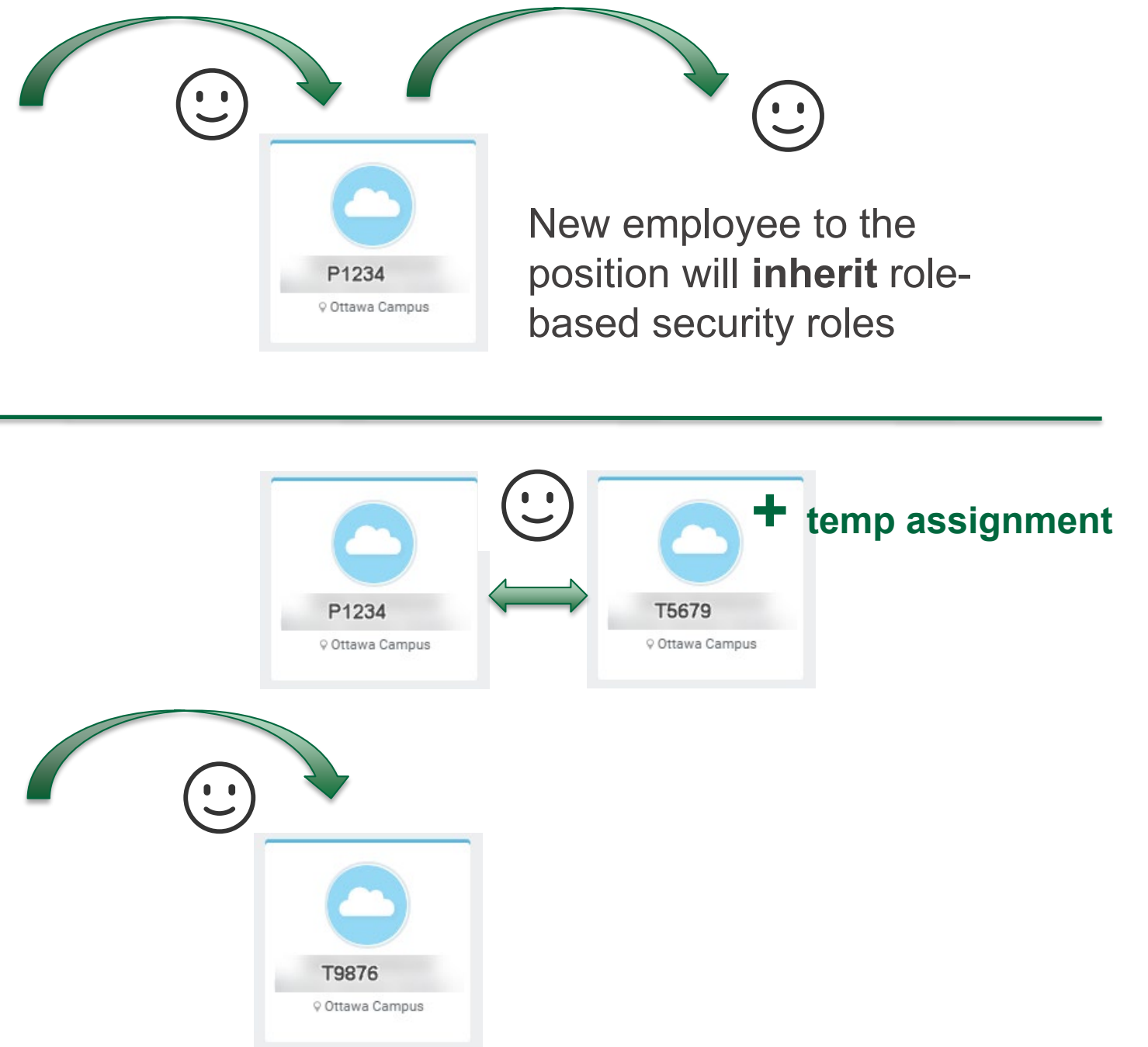
## Role-Based Security Roles

Most security roles are of the type “role-based”. This means that they are assigned to a position.

When employees change jobs, these assignments stay with the position.

However, if a new position is created that has functions related to these roles, a request to add security roles must be submitted.

New temporary position created to backfill employee on temporary assignment. Need to **request** security roles be added to T9876 and possibly **removed** from P1234



# Role-Based security is constrained to a scope



The constraints on Role-Based security roles in Workday determine the breadth within which the user can see information or perform their role

## Some HR-related roles are constrained by a Supervisory Organization

A Supervisory Organization is a team of employees that reports to a common manager. (\*Does not include the manager.)

Roles can be assigned to a Supervisory Organization to allow a worker access to employees within that team.

## Some Finance-related roles are constrained by Cost Center

Cost Centers are groupings of costs that are allocated to the same area (for accounting purposes).

Roles can be assigned to a Cost Center to allow a worker access to costs within that cost center.

## Some roles are constrained by a Company

A Company is a legal entity in Workday. We only have one company: Algonquin College.

Roles assigned to the company grant access across the College

\*Timekeeper (Unconstrained): Requirement for Confidentiality and Non-Disclosure Agreement

# Requests...when you're thinking about assigning security...



- 1) **Who.** Who on your team needs a security role to see information or take action in Workday
- 2) **Which Role.** What is the right role to grant them, so they have the access they need, and only the access they need.
- 3) **For Which Scope.** What is the right organization to grant this security role, so they can take action for the correct part of the College

## If a required role is not assigned:

Supervisory Organizations and Cost Centers are both contained within Hierarchies.

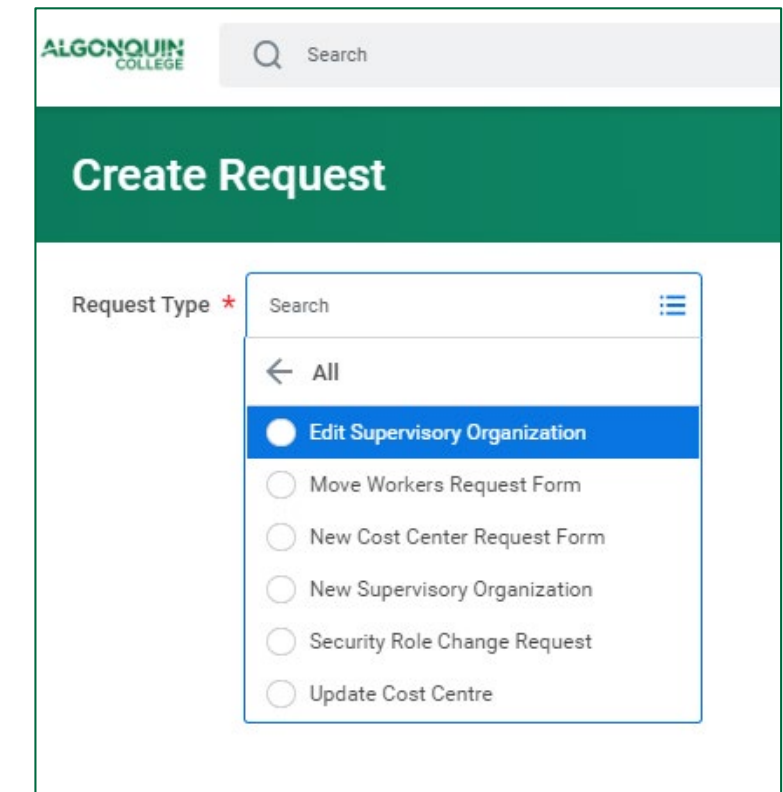
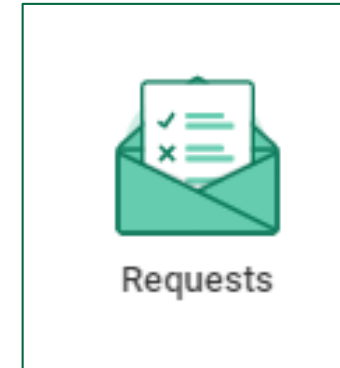
Security assigned at a top hierarchy level will “inherit” down to subordinate hierarchy levels, until the point where Workday has alternate instructions.



# Requests

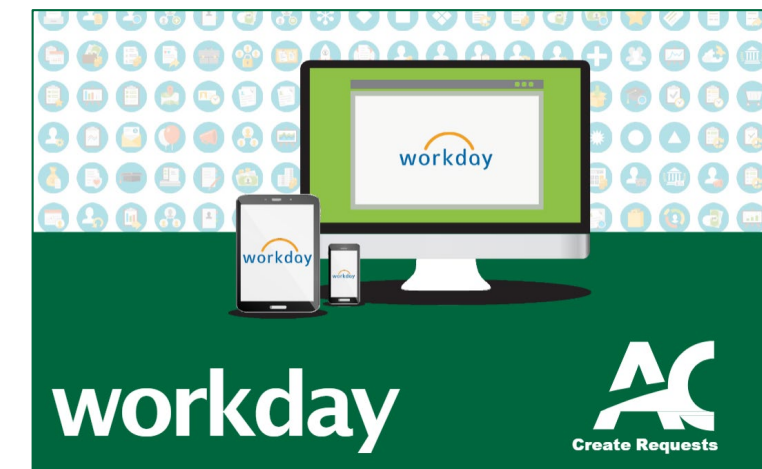
A Request needs to be submitted any time you want to:

- Create or make a change to a Supervisory Organization
- Create or make a change to a Cost Center
- Add or **remove** Security Roles



All Requests go through an approval process: first to the Manager of the person who initiated the request, then to relevant Finance, Human Resources and ITS (Workday Support) employees.

For assistance: [User Guide](#) on the Workday Support website  
workdaysupport@algonquincollege.com



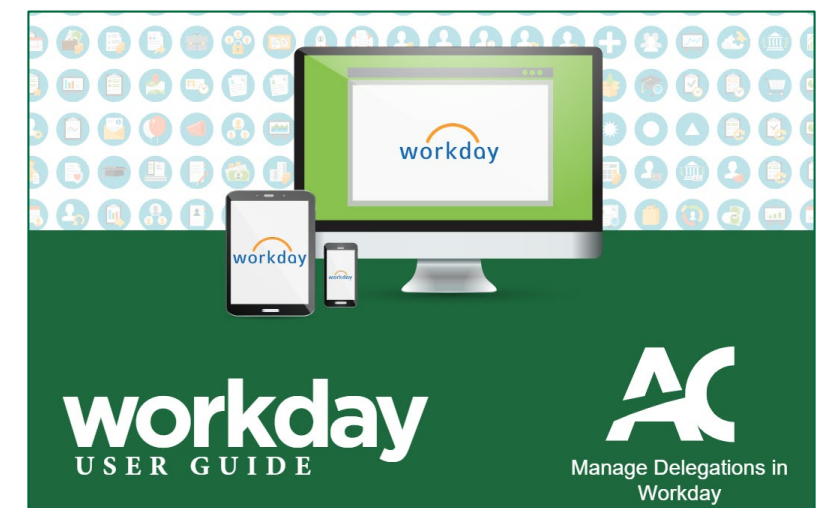
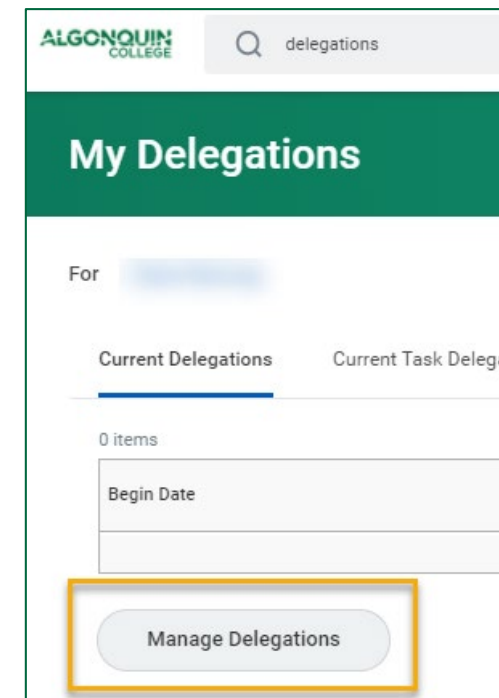
# Delegation Function

## When you are away.....

- Create a “delegation” so that processes and approvals don’t get stuck. Applies to people with Manager and Expense Officer roles
- Type “delegations” in the search bar > My Delegations > Manage Delegations
- Start date/ End date, your delegate (make sure they know) and what you are delegating
- Some tasks **cannot** be delegated. Your delegate will need to contact Workday Support for assistance. Most common example: Terms and Conditions of Employment / Offer Letters for Manager’s signature
- The Delegation Policy will set the framework for how to use this function.

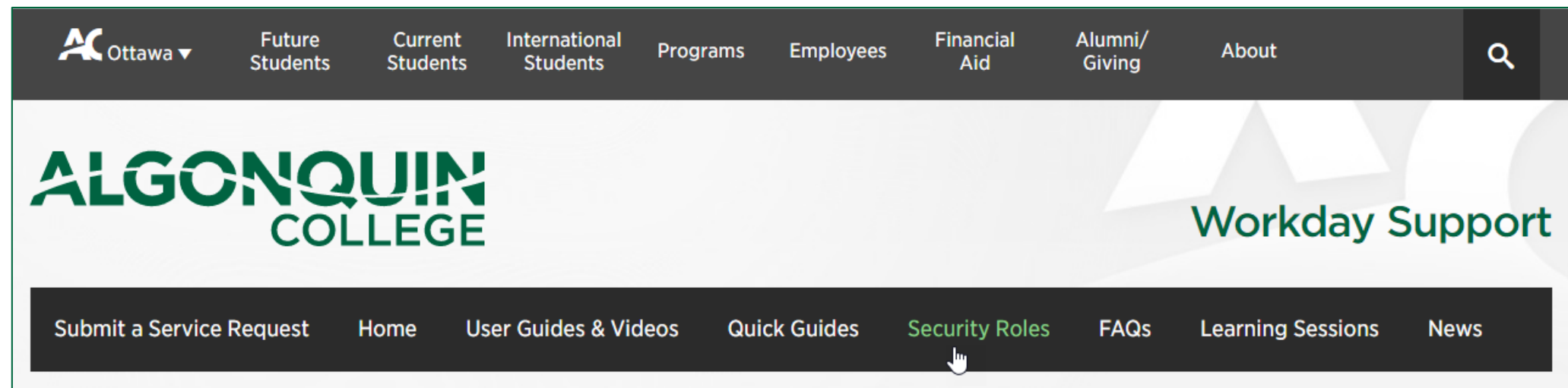
For assistance: [User Guide](#) on the Workday Support website

[workdaysupport@algonquincollege.com](mailto:workdaysupport@algonquincollege.com)



# Workday Support – Help is Always Available!

- [www.algonquincollege.com/workday](http://www.algonquincollege.com/workday)



- [workdaysupport@algonquincollege.com](mailto:workdaysupport@algonquincollege.com)

# Payments

- A. Expense Claims – Policy AD12 Travel, Meals & Hospitality
- B. Coding Visa Transactions in Workday
- C. Approving Invoices - Checklist



Payments

includes credit cards, invoices, vouching, coding, and approvals

# Payments: Reimbursement of Expenses Key Principles

## AD12: Travel, Meals & Hospitality Key Principles

1. Accountability
2. Transparency
3. Value for Money
4. Fairness



Payments

includes credit cards, invoices, vouching, coding, and approvals

# Payments – Key Principles

## 1. Accountability

All travel and expense claims submitted by employees, or expenses incurred by the College must be the result of ***College business activity***.

- The ***business purpose*** of an expense claim item should be documented clearly enough for a third party outsider to be able to identify
- When paying meals for more than one individual, always document the names of all participants



Payments

includes credit cards, invoices, vouching, coding, and approvals

# Payments – Key Principles

## 1. Accountability – Key sections from AD12

2.1 Employees must ***obtain approval*** from the appropriate authority ***before incurring any expenses*** on College business.

4.4 A **Spend Authorization** must be completed and approved for travel costs exceeding **\$200** before tax.

2.3 Employees seeking reimbursement for expenses must provide **itemized receipts** for all items being claimed.

Section 5 – Non-Reimbursable Expenses



Payments

includes credit cards, invoices, vouching, coding, and approvals

# Payments – Key Principles

## 2. Transparency

**All rules** and policies surrounding travel, meals and hospitality and employee reimbursement for these expenses **are available to employees and the public** on the College web site.

- The full policy is available here:

<https://www.algonquincollege.com/policies/files/2018/09/AD12.pdf>



Payments

includes credit cards, invoices, vouching, coding, and approvals

# Payments – Key Principles

## 3. Value for Money

College funds must be used *prudently* and safeguarded. All expenses incurred must be in support of the College's objectives, must be *economical* with due regard for health and safety, and must have appropriate *approvals before* being spent.



Payments

includes credit cards, invoices, vouching, coding, and approvals

# Payments – Key Principles

## 3. Value for Money – Key sections from AD12

2.2 All travel arrangements must be made through the College's ***preferred travel agency***

2.9 Under no circumstances shall contractors and consultants be reimbursed for hospitality, incidental or food expenses.

4.3 Whenever possible, travel and accommodation will be arranged for the day of the meeting/appointment. All associated costs incurred, while on College business, will be of the ***most economical means*** available.



Payments

includes credit cards, invoices, vouching, coding, and approvals

# Payments – Key Principles

## 4. Fairness

Legitimate and authorized expenses incurred by **employees** while on College business ***will be reimbursed***. An employee should not incur a financial loss as a result of providing authorized College business.



Payments

includes credit cards, invoices, vouching, coding, and approvals

# Payments – Key Principles

## 4. Fairness – Key sections from AD12

2.7 To ensure the timely recording of expenses, Algonquin College reserves the right to reject reimbursement claims that are more than 6 months old.

4.2 The College will pay legitimate travel expenses of persons travelling on College business such as registration, accommodation, meals, transportation, and reasonable incidental expenses, etc



Payments

includes credit cards, invoices, vouching, coding, and approvals

# Payments

## Coding Visa Transactions in Workday



Payments

includes credit cards, invoices, vouching, coding, and approvals

# Payments – Coding Visa Transactions in Workday

- Expectation that all transactions be coded by 5 business days after the month end

Billing Month	Billing Date	Approval Deadline
January	Jan 29, 2021	Feb 5, 2021
February	Feb 26, 2021	Mar 5, 2021
March	Mar 31, 2021	Apr 8, 2021

- <https://www.algonquincollege.com/purchasing/visa-reporting-deadlines/>
- All un-coded transactions are coded to the VP Cost Center at year end



Payments

includes credit cards, invoices, vouching, coding, and approvals

# Payments

## Approving an Invoice



Payments

includes credit cards, invoices, vouching, coding, and approvals

# Payments – Checklist for Invoice Approvers (1/3)

- Planning – Did we plan ahead? Major expenditures should be discussed with the Procurement team well in advance.
- Pre-approval – Have I clearly communicated to my team expectations about which purchase by \$ amount or nature should be pre-approved by me and how (written or verbal)?
- Pre-approval – Was I aware of this purchase, and if not, should I have been (see first point)?
- Process – Is there evidence that the proper procurement procedure was followed (e.g. legitimate PO# is clearly indicated on the invoice for expense > \$2,500)? Workday POs are formatted PO-000000xxxx. Authorized supplier?



Payments

includes credit cards, invoices, vouching, coding, and approvals

## Payments – Checklist for Invoice Approval (2/3)

- Process – Was the invoice sent directly to Accounts Payable? Suppliers should be directed to send all invoices to [accountspayable@algonquincollege.com](mailto:accountspayable@algonquincollege.com) or to Accounts Payable Room C550 for regular mail!
- Addressee – Is this invoice addressed to Algonquin College? If no, request new invoice.
- Accuracy – Are we being charged only for the goods or services that were ordered? Are prices correct?
- Timeliness – Is the invoice recent? Try to understand underlying causes for delays and try to eliminate.



Payments

includes credit cards, invoices, vouching, coding, and approvals

## Payments – Checklist for invoice approval (3/3)

- Purpose – Is the business purpose of the purchase clearly documented on the PO, invoice or supporting documentation?
- Reasonableness – If I had to pay for this purchase myself, would I consider I had received good value for money?
- Cost Sharing – If an expense is to be split with another department, did I make them aware of the expense in advance?
- Coding – Have the charges been allocated to the correct cost center(s) and expense accounts?



Payments

includes credit cards, invoices, vouching, coding, and approvals

# Payments

## Payments Questions



Payments

includes credit cards, invoices, vouching, coding, and approvals

# Cash Handling

Main questions are:

- Do we identify who has cash access throughout its journey
- What system is being used for revenue transactions
- Is the cash storage and transportation secure and safe (the rules)
- The safe and Is the cash lifecycle adequately recorded
- Is there adequate monitoring in place
- Is there a “four-eye” verification from outside of the department



Cash  
Handling

includes security,  
verifications, and  
deposit  
procedures

# Cash Handling

## Findings from a typical Cash Audit

- Recommend that a signed/dated employee log is available to ensure all Cash Handling employees have received current Cash Balancing training, including any new procedural updates.
- Response to the occurrence of sharing cash drawers was mixed. Recommend Controller review the Cash Handling Policy for comprehensiveness.



Cash  
Handling

includes security,  
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deposit  
procedures

# Cash Handling

- Recommend the cash over/short log is reviewed and signed/dated by the Controller monthly (minimum). Over/short log should detail the date, employee name, and aggregated amount of over/short for the period (on an absolute basis). Recommend the Controller review the over/short corrective action protocol.
- Recommend all cashier voids be required to include the reason for the void.



Cash  
Handling

includes security,  
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# Cash Handling

## Sample Summary Audit Recommendations

It is recommended that the Controller maintains an ongoing audit presence (bi-weekly), including:

- Impromptu cash storage (safe) audits
- Review and sign-off of all cash over/under logs (storage and cash transaction)
- Create a documented cash access/conduct protocol
- On a quarterly basis, engage a third party to conduct a verifying count of all cash on hand



Cash  
Handling

includes security,  
verifications, and  
deposit  
procedures

# Cash Handling

## Best Practices

- Limits those who are responsible for Cash handling
- Conduct frequent “Four-Eye” verification audits
- Never share cash drawers or allow
- Management intervention for all voids and discounts
- Strick rules around authorizing Accounts Payables
- Maintain excellent documentation
- Third party review



Cash  
Handling

includes security,  
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# Cash Handling

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## Questions and Discussions

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Cash Handling

includes security, verifications, and deposit procedures

# Financial Integrity Policy (endorsed by CBC)

## Purpose

- To ensure the College, as a public entity, meets its obligations for accurate, complete, timely and transparent management of financial assets and transactions. It details the ethical obligations and financial responsibilities for all Entrusted Employees.

## Scope

- This policy applies to all College employees entrusted with recording, presenting, disclosing, documenting, representing and calculating financial information on behalf of Algonquin College.

## The Financial Integrity Policy will codify the need to:

- Provide accurate, timely, and understandable financial disclosures
- Act in good faith with no withholding of facts
- Preserve Corporate Intelligence through preservation of records
- Report actual or perceived fraudulent, illegal or unethical behaviours
- Pursue the continuous improvement in financial operations
- Ensure adequate opportunity for training & PD that will improve the understanding of GAAP, and that upholds College Financial Integrity

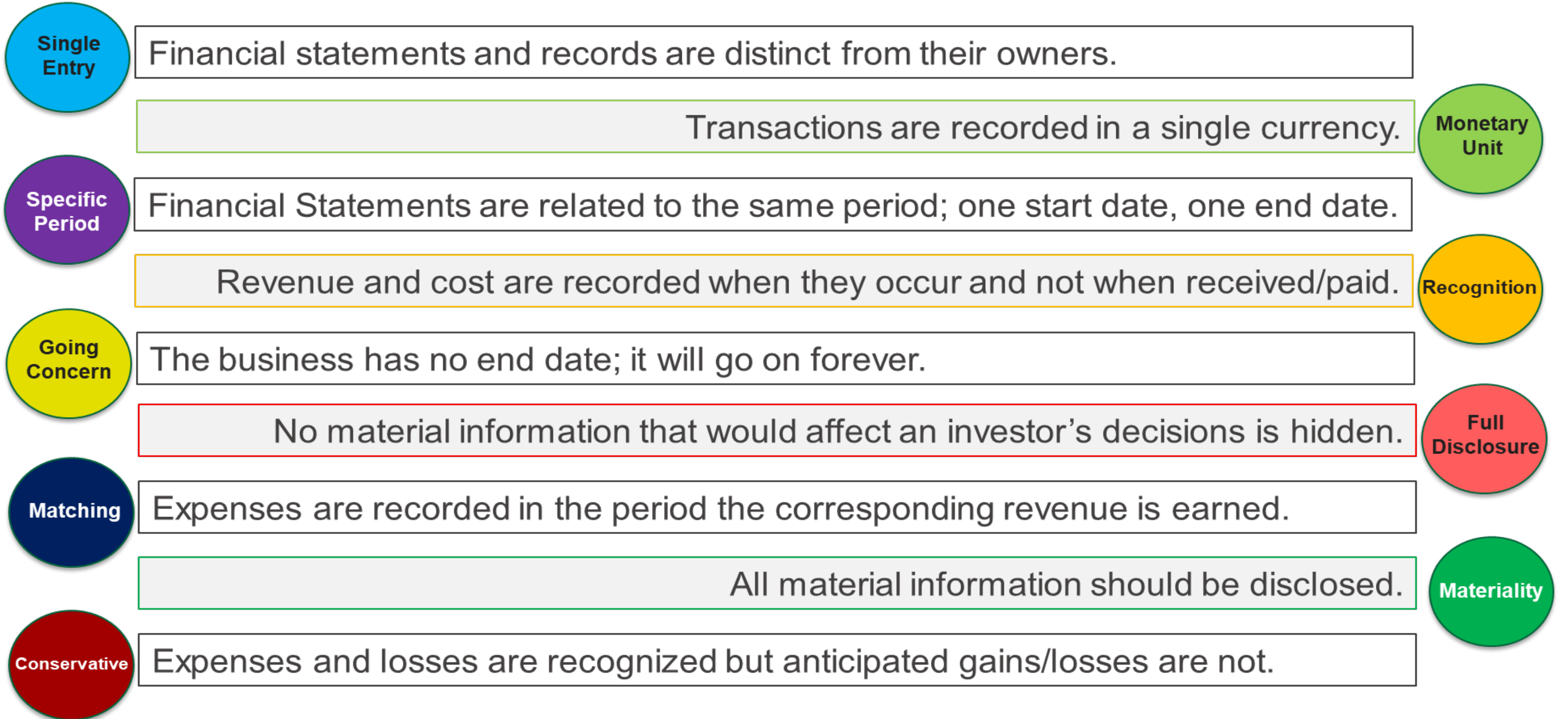
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The Financial Integrity Policy aligns with HR-12 and HR-18.

# Financial Integrity Policy captures four basic GAAP Principles

- All material information is disclosed
  - No material information that would affect decision making is hidden
  - Expenses are recorded in the period that corresponding revenue is earned.
  - Expenses and losses are recognized but anticipated gains and losses are not.
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# Generally Accepted Accounting Principles



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# Questions and Discussions

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