



NEVADA AFFORDABLE HOUSING ASSISTANCE CORPORATION

SEGREGATION OF DUTIES AND LINES OF AUTHORITY

Policy Area: Finance	Number: 400.A
Initial Effective Date: 12-19-2013	Initial Approved Date: 12-19-2013
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Approved by: NAHAC Board of Directors	
<p>PURPOSE:</p> <p>To ensure adequate segregations of duties are in place to reduce errors (intentional or unintentional) and to ensure such errors do not remain undetected, by providing for separate processing by different individuals at various stages of a transaction and for independent reviews of the work performed. The segregation of duties provides four primary benefits: 1) the risk of a deliberate fraud is mitigated as the collusion of two or more persons would be required in order to circumvent controls; 2) the risk of legitimate errors is mitigated as the likelihood of detection is increased; 3) the cost of corrective actions is mitigated as errors are generally detected relatively earlier in their lifecycle; and 4) the organization’s reputation for integrity and quality is enhanced through a system of checks and balances.</p> <p>To establish a sound control environment by the Board for the CEO/Executive Director, <u>or equivalent management official</u>, management and employees. A sound control environment exists when everyone’s role and responsibility in the organization are clearly defined to ensure the appropriate, effective and efficient use of the organization’s funds.</p> <p>POLICY:</p> <p>An appropriate segregation of duties shall be maintained in accordance with the principles set forth in this document and NAHAC’s Internal Control Program. The company shall identify, remediate, and maintain a separation of incompatible business functions. In permissible instances where business functions cannot be fully and appropriately segregated due to specific circumstances, NAHAC Management shall implement mitigating controls to compensate for such situations. As changes occur in the organizational, functional, and technological environments, assessments shall be performed to address the impact on the segregation of duties resulting from such changes. NAHAC Management shall review, revise, and enforce this policy as significant developments occur with respect to the segregation of duties.</p> <p>In maintaining a segregation of duties, NAHAC employs several safeguards to ensure that activities and transactions are properly authorized, appropriated, executed and recorded by establishing an Authorization Matrix, which must be approved by NAHAC’s Board of Directors.</p> <p>RESOURCES:</p> <p>See Appendix IV – Internal Control Program See Appendix VI – Authorization Matrix – Finance See Appendix VII – Authorization Matrix – Payroll and HR</p>	