**Administrative Policy No. 19.20.01**

| | |
|---|---|
| **Subject:** | AFRS Security and Related Controls |
| **Contact:** | Office of Accounting Services (OAS)<br>Chief, (360) 664-5716 |
| **Authorizing Source:** | State Administration & Accounting Manual (SAAM)<br>    Chapter 20.20, Risk Assessment<br>    Chapter 85.32, Goods and Services Expenditures |
| **Effective Date:** | February 1, 2006 |
| **Revised:** | August 14, 2020 |
| **Approved By:** | <u>**Original signed by Judy Fitzgerald**</u><br>Assistant Secretary / Chief Financial Officer<br>Facilities, Finance, and Analytics Administration |

**Purpose**

To identify the required control structures regarding the processing of agency financial reporting system (AFRS) transactions.

To establish responsibilities for internal controls related to processing AFRS transactions. This includes initiating, recording, authorizing, documenting and reconciling AFRS transactions.

**Scope**

This policy applies to all Department of Social and Health Services (DSHS) employees that use AFRS.

This policy does not apply to established client service payment systems (e.g. ProviderOne and ACES)

**Additional Guidance**

DSHS Forms Picker
    DSHS 03-420, Enterprise Financial Systems Security Request
    DSHS 08-236, IBM Mainframe Security Access Request
Information Technology Security Manual
    Chapter 12 Section 3, IBM System 390

DSHS Administrative Policies
        5.04, Records Retention
        19.70.60, Vendor/Provider Registration Process
        19.85.32, Signature Authority for Financial Documents

**Definitions**

**Agency financial reporting system (AFRS)** is the state of Washington's official accounting system.

**Department** refers to the Department of Social and Health Services (DSHS).

**Exception code process** is the process in AFRS to make payments for specific items when an AFRS statewide vendor number is not available.  It is intended to be used for one-time payments to vendors for non-taxable purposes.

**Headquarters fiscal program managers (FPM)** are principle fiscal contacts as listed on the financial services administration's Staff Program Assignment List, as posted on the office of accounting service's intranet under contact information.

**Program** means the affected DSHS programs, including the division, office, or staff designated by the assistant secretary or division director as being responsible for compliance with this policy.

**Segregation or separation of duties** means work responsibilities and assignments that are divided, or segregated, among multiple staff as a way to reduce the risk of error or inappropriate actions. For example, the responsibilities for authorizing transactions, recording transactions, and handling related assets should be assigned to three different staff.

**Policy**

**A.      Agency financial reporting system (AFRS) access is limited to authorized staff.**

1.      The enterprise financial systems security request (DSHS Form 03-420) and the IBM mainframe security access request (DSHS Form 08-236) must be used to request staff access to AFRS (if view only access is required complete DSHS form 08-236).

2.      The DSHS headquarters fiscal program managers must resolve any discrepancies regarding an employee's access to AFRS.

3.      All access requests must be approved by the office of accounting services (OAS) chief, headquarters fiscal program manager (FPM), or designee, as indicated on the enterprise financial systems security request (DSHS Form 03-420).
        a.   The OAS chief may grant and remove access for program staff to release bypass JV's

**B.** **The department will assign specific batch types to staff when granting AFRS access.**

1. The department will limit an employee's access to specific batch type(s), depending on the individual's access needs.

2. The department will grant an employee access to all batch types, when the need for this access is documented and approved by the OAS chief.

**C.** **The department will remove staff access to AFRS when access is no longer needed.** DSHS Programs must submit enterprise financial systems security request (DSHS Form 03-420) and IBM mainframe security access request (DSHS Form 08-236) to terminate an employee's access to AFRS when:

1. An employee no longer requires AFRS access

2. An employee leaves employment with DSHS or transfers to another office.

**D.** **The department will perform a semi-annual review (every six months) and perform a biennial re-certification (once every biennium) of staff AFRS access**.

1. The semi-annual review will be conducted by the DSHS fiscal program managers. They will review the list of individuals who have AFRS access. If any individuals are identified as no longer needing access, the DSHS fiscal program manager (FPM) will submit the enterprise financial systems security request (DSHS Form 03-420) and the IBM mainframe security access request (DSHS Form 08-236) to remove that person's access. If the workbooks are not received by a specified date, access will be removed.

2. Once every biennium (in the even year), the OAS chief will require that all individuals who require AFRS access submit new security request forms. If the forms are not received by a specified date, access will be removed.

**E.** **All AFRS batches must be approved by authorized staff.**

Prior to a batch (payment or non-payment) being released in AFRS, the batch must have been reviewed and approved by an individual with financial signature authority and must be someone different from the preparer to ensure segregation of duties. This control must be in place to provide reasonable assurance that transactions are accurate and complete prior to being entered into AFRS.

**F.** **Only financial toolbox batches that have been uploaded into AFRS without an error may be released.**

When the financial toolbox is used to enter data into AFRS, the batch must only be released when the upload of the document does not result in any errors. If a toolbox

document is loaded and error(s) are noted in AFRS, **the batch must be deleted**, the toolbox document corrected, and then reloaded (i.e. financial toolbox batches with errors are **not to be corrected in AFRS**). This is done to ensure the originating document matches what is recorded in the AFRS system.

**G.      Reconciliation of all payments is required.**

1.      Regardless of how the document was entered into AFRS (manual or financial toolbox), an independent reconciliation of the payment register to supporting documentation must be performed for all payment transactions. The individual performing the reconciliation cannot be the preparer, approver, submitter or releaser.

2.      The payment register must be signed and dated by the reviewer and maintained according to the approved records retention schedule.

3.      Reconciliation of the payment register to the input documents must be performed timely, no later than five (5) business days from the date of payment register.

**H.      All journal vouchers must be processed using the financial toolbox.**

1.      At a minimum, the following tabs must be used for each financial toolbox document:
    a.      Approval
    b.      Explanation
    c.      Upload (to include the toolbox upload)
    d.      JV
    e.      Supporting documentation (e.g. ER report, email, etc.)

2.      All financial toolbox documents must contain a detailed explanation so an individual reviewing the document can follow the purpose and reason for the entries without further explanation. In addition, sufficient support documentation must be provided so the reviewer can verify the transactions made are accurate.

**I.      Naming of financial documents must be consistent across the department.**

1.      For payment files (i.e. vouchers), the document number assigned must consist of the following:
    a.      1st digit                    "V"
    b.      2nd thru 3rd digit       Batch type
    c.      4th thru 8th digit        Assigned sequential number
    d.      Example                   VKJ00210

2.      For non-payment files (i.e. journal vouchers), the document number assigned must consist of the following:
    a.      1st and 2nd digit        "JV"

        b.      3$^{rd}$ and 4$^{th}$ digit      Batch type
        c.      5$^{th}$ thru 8$^{th}$ digit   Assigned sequential number
        d.      Example           JVKJ0833

3.     When preparing a bypass JV, the 3$^{rd}$ and 4$^{th}$ digit of the document number will be the batch type of the originating office.
        a.      1$^{st}$ and 2$^{nd}$ digit     "JV"
        b.      3$^{rd}$ and 4$^{th}$ digit      Batch type of originating office
        c.      5$^{th}$ thru 8$^{th}$ digit   Assigned sequential number
        d.      Example           JVSA0833

4.     The numbering series used for both payment and non-payment document numbers are to run sequentially through a biennium. The numbering scheme must restart at the beginning of a new biennium (e.g. JVKJ0001).

5.     This numbering scheme may not apply to automated batches.

**J.**    **The management operations document imaging system (MODIS) is the official records retention system for all journal vouchers (JVs).**

1.     Programs will ensure that all JVs are submitted and placed into MODIS. MODIS must be used unless a waiver is granted by the OAS chief.

2.     All documents must be imaged in MODIS no later than 30 days from the date of release.

3.     Batch type owners are responsible to ensure 100% of their JVs are placed in MODIS. They must conduct an inventory on an annual basis and verify all numbers have been accounted for. If a number has been voided or the document was not processed, the control (JV) log should indicate the status of that number and reason MODIS does not contain that document.

**Procedures**

**A.**    **Obtaining approval for AFRS access.**

1.     Program staff or their supervisor must:
        a.      Complete the IBM mainframe security access request (DSHS Form 08-236)
        b.      Complete the enterprise financial systems security request (DSHS Form 03-420).
        c.      If the employee is requesting access to all batch types, written justification is required.
        d.      Submit documentation to either the employee's manager, FPM, or both.

2.     Employee's manager must:

       a.     Review and approve or return the form, as appropriate.

       b.     Forward the completed approved forms, and supplemental documentation, if any, to the headquarters FPM.

3.     Headquarters FPM, or designee must:

       a.     Review and approve or return the forms, as appropriate.

       b.     Forward the approved IBM mainframe security access request (DSHS Form 08-236) for processing to the address listed on the form.

       c.     Forward the approved enterprise financial systems security request (DSHS Form 03-420) to the address listed on the form.

4.     The OAS chief must approve all requests for an individual's access to all batch types.

5.     The Technology Operations Center will:

       a.     Update individual access to AFRS and the IBM mainframe, based on the forms received

**B.    Conducting semi-annual and biennial reviews of staff AFRS access.**

1.     <u>Semi-annual review</u> – (performed in April and October every year)

The OAS chief must:

       a.     Request current lists of employees with AFRS access and with IBM Mainframe access from the [Technology Operations Center](#).

       b.     Forward the lists to the appropriate fiscal program managers for the semi-annual review.

DSHS fiscal program managers (FPM) must:

       a.     Review the list of individuals who have AFRS access.

       b.     If any individuals are identified as no longer needing access, the DSHS fiscal program manager (FPM) will submit enterprise financial systems security request (DSHS Form 03-420) and IBM mainframe security access request (DSHS Form 08-236) for processing to the addresses listed on the forms to terminate the employee's access to AFRS and the IBM mainframe.

The Technology Operations Center will:

       a.     Provide current lists of employees with AFRS access and with IBM mainframe access to the OAS chief, as requested.

       b.     Update individual access to AFRS and the IBM mainframe, based on the forms received.

2.     <u>Biennial review</u> – (performed in April every other year, in place of the semi-annual review)

The OAS chief must:
a.     Communicate to all program areas that new security request forms must be submitted for each user by a specified deadline.
b.     Approve request forms submitted for all financial services administration users and forwards them for processing to the addresses listed on the forms

The fiscal program managers must:
a.     Coordinate submission of new security request forms with their program areas.
b.     Approve request forms submitted for their program areas and forward them for processing to the addresses listed on the forms.

The Technology Operations Center will:
a.     Provide current lists of employees with AFRS access and with IBM mainframe access to the OAS chief, as requested.
b.     Update individual access to AFRS and the IBM mainframe, based on the forms received.