



# State of Arizona Accounting Manual

Topic 05 Internal Controls  
Section 20 Public Records

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## INTRODUCTION

Public officials with oversight authority have a responsibility to ensure public records are protected, genuine, and true. In particular, to help ensure the appropriate use of public monies, officials should ensure that public records supporting financial transactions, such as invoices, cash receipts, and bank reconciliations, accurately represent facts and have not been falsified or otherwise altered.

Several Arizona laws describe the elements of committing forgery, falsifying or tampering with a public record, and knowingly offering a false document for filing in an Arizona public office. Criminal consequences for these actions range from a class 4 to a class 6 felony.

This section of SAAM outlines how public officials can help protect public records by exercising appropriate oversight, and establishing and enforcing policies that incorporate fundamental controls. This section of SAAM substantially reproduces the contents of a "Fraud Prevention Alert" published by the Office of the Auditor General.

## POLICY & PROCEDURES

1. Public officials have a fiduciary duty to ensure that public records are protected, genuine and true, which, in turn, helps to ensure the appropriate use of public monies.
2. Public officials can and should establish and enforce policies that incorporate fundamental internal controls contained in this and other sections of SAAM, including, but not limited to:
  - 2.1. Separating cash handling and the associated public recordkeeping responsibilities among employees so that no one person has the ability to initiate and complete a transaction without independent review.
    - 2.1.1. Cash handling responsibilities include issuing payments, receiving monies and making deposits.
  - 2.2. Objectively scrutinizing public records that support financial transactions to ensure that the documents are true and genuine and properly substantiate the transactions' purpose.
  - 2.3. Documenting, researching and resolving unusual aspects or conditions, such as:

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- 2.3.1. Missing information.
- 2.3.2. Inconsistent numbering, dates, descriptions or amounts.
- 2.3.3. Information that has been altered, erased, or concealed or obscured by correction fluids and the like.
- 2.4. Appropriately reviewing and, if necessary, investigating any document and/or transaction before approving it.
- 2.5. Developing and implementing policies and procedures designed to secure and safeguard public documents, such as:
  - 2.5.1. Maintaining hard copies of financial records in a locked cabinet with key access limited to approved personnel.
  - 2.5.2. Ensuring that electronically kept documents are protected through restricted user access assignments and passwords.
  - 2.5.3. Ensuring that records are retained in accordance with the Records Retention Schedules published by LAPR.