

| MRC # | Risk   | Transaction Cycle Process  | Minimum Required Control  |
|-------|--|--|---|
| 1     | Conflict of Interest or Commitment exists.   | P2P: Vendor Selection, PCard Purchasing                              | Assess if conflict of interest exists with purchaser/vendor.  |
| 2     | Employee receives Pcard without proper authorization.  | P2P: PCard Purchasing  | Supervisor reviews and approves requests to submit application for Pcard.   |
| 3     | Purchase is not business related.  | P2P: PCard Purchasing  | Supervisor implements procedures to ensure PCard transactions are business related.   |
| 4     | Budget is under/over spent. Purchases made on wrong accounts. Purchases not authorized. Duplicate payments.  | P2P: PCard Purchasing, Purchase Order Processing, Invoice Processing | Unit performs monitoring of Budget vs. Actuals.   |
| 5     | Requestor does not have proper authority to make purchase.   | P2P: Purchase Order Processing                                       | I Want Doc (IWD) is approved by authorized requestor with transaction authority. Approver reviews IWD request to ensure budget, amount, business purpose are accurate. Approves after formal review.  |
| 6     | Duplicate payments are processed for a single vendor invoice.  | P2P:Purchase Order Processing  | Unit confirms duplicate request has not been submitted to SSC.  |
| 7     | Payment is made without proper transaction & payment authority.  | P2P:Invoice Processing   | Unit level approver with transaction authority confirms that expenses is appropriate business expense. Fiscal Officer (FO) delegate at SCC with payment authority approves PREQ. FO delegate reviews PREQ with KFS reports to ensure invoice amounts are accurate and purchase is in compliance for purchases over \$5,000. |
| 8     | Payment is made for goods/services not received.   | P2P: Invoice Processing  | Unit must confirm receipt of goods or services within e-Doc for items over \$5,000. See Buying Manual/Guidelines for receiving in KFS.  |
| 9     | Reconciliations are inaccurate and/or incomplete.  | Account Reconciliation and Monitoring                                | Secondary reviewer confirms the reconciliation/monitoring activity is complete and accurate, ensuring segregation of duties and includes any proper supporting documentation.   |
| 10    | Outstanding Accounts Receivable payments have a potential risk of being uncollectible if they are not properly monitored and managed.                            | Accounts Receivable/Billing  | Unit monitors Accounts Receivable/Aging for Payments due from Customers   |
| 11    | Without proper authorization, small write-offs could accumulate over time, leading to significant financial losses or misstatements in financial records.        | Accounts Receivable/Billing  | Acquiring Authorization from operating unit's senior business officer for approval of Write-Off Under \$5,000   |
| 12    | Without proper reconciliation of payments to sales receipts, units run the risk of cash mismanagement, misappropriation of funds and operational inefficiencies. | Cash Management  | Reconcile daily all payments received to that day's sales receipts  |
| 13    | T&M Cards are issued to employees that do not meet the eligibility criteria.   | Travel and Meal Cards  | Supervisor approves credit card application   |
| 14    | Expenses remain unsubmitted after the completion of travel. Unusual activity may go undetected.  | Travel and Meal Cards  | Unit monitors outstanding expenses in OAS on a montly basis and for employees offboarding.  |
| 15    | T&M Cards are used for unallowable expenses.   | Travel and Meal Cards  | Unit/KFS Manager/Delegate reviews expenses are appropriate and reasonable   |
| 16    | T&M Cards are not deactivated for invalid cardholders and unallowable expenses are incurred.   | Travel and Meal Cards  | Unit reviews and validates cardholder listing from the SSC at least annually.   |

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| <b>KEY</b>                        |
| <b>FO:</b> Fiscal Officer         |
| <b>SSC:</b> Shared Service Center |