

Internal Control Questionnaire

Entity Name _____

Date Prepared By _____

Fiscal Year End Date _____

Category	Yes	No	Not Applicable	Standard
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Cash

1				All bank accounts are reconciled monthly.
2				All bank reconciliations are reviewed and approved by a person other than the preparer.
3				All bank account statements with reconciliations are provided monthly to the oversight board (e.g., City Council, Board of Directors)
4				All restricted cash accounts (e.g. escrowed funds, interest and sinking funds, reserve funds) are: a) properly funded according to requirements in legal documents b) comply with legal requirements in debt agreements (e.g., amounts, separate and apart from all other funds and accounts, etc.) c) reported appropriately in the Annual Financial Report including appropriate footnote disclosure
5				All bank accounts are protected by an appropriate combination of FDIC insurance and or collateralization.
6				All bank statements are opened only by authorized supervisory personnel.

Accounts Receivable

1				Monthly an aging report of receivables is reviewed by the oversight board (e.g., City Council, Board of Directors)
2				Bad debts are documented by management, and written off with oversight board approval periodically (at least annually).
3				Monthly the accounts receivable aging report (subledger) is reconciled to the balance sheet

Investments

1				Bank statements (e.g., brokers statements, other documentation) support the amount recorded for investments in the general ledger.
2				All investments are protected by an appropriate combination of FDIC insurance and or collateralization.
3				Monthly the investments report (subledger) is reconciled to the balance sheet amount.

Inventories

1				Inventories which are significant are subject to annual physical counts.
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Fixed Assets

1				Information is maintained for capitalized assets in a fixed asset ledger (e.g., cost, date acquired, description, useful life, identification number, etc.)
2				A Fixed Asset ledger is reconciled to the General Ledger monthly as to the total of assets recorded in the general ledger.
3				Fixed Assets have an identification tag which is recorded in the Fixed Asset Ledger.
4				Fixed Assets are subject to a physical audit at least every two years.

Accounts Payable

1				Monthly an aging report of payables is reviewed by the oversight board (e.g., City Council, Board of Directors)
2				Monthly the accounts payable aging report (subledger) is reconciled to the balance sheet amount.

Long Term Debt

1				Debt covenants are analyzed and reviewed at least annually to assure that compliance exists and is ongoing.
2				Monthly the long term debt report (subledger) is reconciled to the balance sheet amount.

Financial Reporting

1				Audited financial statements are prepared annually and are compliant with timeliness requirements of applicable statutes.
2				Audited financial statements are presented fairly in accordance with applicable GAAP and the auditor opinion reflects this status.
3				Budgets are prepared annually and approved by the Board at least thirty days prior to the new fiscal year.
4				Significant variations from budget are researched and updates provided to the Board at least quarterly.
5				Audit findings are monitored by the Board to assure that appropriate corrective actions are complete or are underway.
6				All journal entities are reviewed and approved by a person other than the preparer
7				Trial balances are prepared periodically (at least quarterly)
8				The accrual basis of accounting is used for financial reporting.
9				A formal month end closing process is documented, and is used at least quarterly.
10				All accounting and bank reconciliations are reviewed and approved by a person other than the preparer.

Statutory and Contractual Compliance

1				Statutes which are applicable have been identified, and a process is in place to assist with compliance (e.g., monitoring of policies and procedures).
2				Significant contractual requirements are identified; a process is in place to assist with compliance (e.g., monitoring of policies and procedures).
3				Applicable records retention requirements are in place as required.

Policies

1				Cash, cash receipts, and bank accounts are supported by a policy that is updated annually.
2				Investments are supported by a policy that is compliant with applicable statutes including the Public Funds Investment Act.
3				Fixed Assets are supported by a policy that is updated annually, and includes guidance for useful lives, capitalization and write-off of assets.
4				Policies are reviewed and approved annually by the Board of Directors
5				A policy to establish and support ethical behavior is documented.
6				Corporate credit card usage is defined as to authorized users, advance authorization, appropriate purposes, and documentation of expenditures.

Cash Receipts

1				A single person is not charged with both the handling of cash and the recording of accounting entries for cash.
2				Cash is not accepted as a means of payment.

Revenue

1				A process exists to assure that all revenue is recorded into the general ledger.
2				At least annually, the adequacy of revenue is evaluated, and the adequacy approved by the Board of Directors
3				Appropriate cutoff procedures are in place to assure that accounting transactions are recorded only in the proper accounting period

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Cash Disbursements

1				Disbursements above a predetermined amount require more than one authorized signature
2				Disbursement requests are accompanied with supporting documentations (e.g., invoices) at time of signing of checks
3				Blank check stocks are secured and not available to unauthorized individuals

Expenses

1				A process exists to assure that all expenses are properly recorded into the general ledger.
2				Appropriate cutoff procedures are in place to assure that accounting transactions are recorded only in the proper accounting period

Information Technology

1				Data is backed up at least monthly.
2				Key elements of a disaster recovery plan are documented, and approved by the Board of Directors
3				Internal controls are in place to minimize risk of cybersecurity threats.
4				Key elements of a business continuity plan are documented, and approved by the Board of Directors
5				Online access is limited by passwords and only to authorized individuals

Human Resources

1				Staff are provided appropriate periodic training on key tasks such as accounting, information technology, and financial reporting.
2				Only authorized individuals are included on payrolls.

Governance

1				Financial reports, operating information, and other key information is provided monthly to the Board of Directors
2				Insurance coverage is reviewed annually for coverage adequacy, loss payees, and replacement cost considerations