INTERNAL CONTROL QUESTIONNAIRES - INSTRUCTIONS

This tool is designed to assist departments in identifying a project/work area for its Control Self-Assessment (CSA) Work Program.

If your department has already identified a specific project or function for review, consult with Internal Audit staff to assess the specific controls of that activity.

1	Determine which area or areas present the most risk or would offer the most benefit from a control self-assessment for your department. Internal Control Questionnaires (ICQs) are provided in the following areas (refer to each worksheet in this Excel file): -General Internal Controls -Finance - Cash -Finance - Revenue and Accounts Receivable -Finance - Expenditures and Accounts Payable -Expense Reports -County Properties & Fixed Assets -Payroll -Legal and Program Requirements -Information Systems Brief descriptions of each work area are provided in the header of most worksheets. The content in each worksheet/category may not address a work process that is unique to your department. In this case, review the questions in the worksheet to help you hone in on an area you'd like to review.
2	Once an area has been identified for your CSA, answer each question in the relevant sheet(s). Only complete the worksheets most relevant to your CSA.
3	Provide an explanation for each "no" response in the designated boxes.
4	Once all relevant worksheets have been completed, if there is more than one "no" response, determine the area that presents the highest risk to your department. The area of highest risk should be the focus of your Control Self-Assessment Work Program.
5	Refer to the Control Self-Assessment Work Program (Appendix A) for information on completing your CSA.

QUESTIONNAIRE - GENERAL INTERNAL CONTROLS

The "General Internal Controls" questionnaire addresses the overall tone and operations of a department/agency. General internal controls set the stage for how work is conducted.

Answers must be based on observed facts, analyses or statements made by knowledgeable and reliable persons.

Provide an explanation for each "no" response.

	GENERAL INTERNAL CONTROLS	YES	NO	NOT SURE	N/A
1.	Are the organization's mission, goals and objectives clearly defined in writing?				
2.	Are the organization's mission, goals and objectives communicated to all employees?				
3.	Are the operating and accounting policies, procedures, budgets, organizational charts, accounting manulas, chart of accounts, policy directives and memoranda etc. properly documented?				
4.	Does your department have an Ethics Policy and/or Code of Conduct?				
5.	Are year-to-date revenues and expenditures monitoried by upper management and periodically compared to budgeted amounts?				
6.	Are confidential records stored in secure areas with access to a limited number of employees?				
7.	Is a record retention policy in place to ensure that records are retained in accordance with legal and audit requirements?				
8.	Do employees receive adequate training to perform their duties?				
9.	Does management evaluate employee performance regularly and hold individuals accountable for their internal control responsibilities?				
10.	Are there procedures for employees to report unusual activity, or a mechanism to anonymously report suspicions of fraud?				
11.	Are internal controls in place to achieve objectives and respond to risks?				

	GENERAL INTERNAL CONTROLS	YES	NO	NOT SURE	N/A
12.	Are internal control monitoring activities in place, with a process in place to evaluate results?				
13.	Have there been any recent changes to any of the following areas: -Regulatory or operating environment -Management personnel -Information systems -Expansion of operations -New technology				

Provide an explanation for each "no" response above. Indicate the question # for which you are referring:

QUESTIONNAIRE - FINANCE - CASH

The questions in the "Finance" module are best answered by a manager(s) who is familiar with all aspects of department's financial operations.

"Cash" includes currencies (coins, Treasury notes, banknotes), checks, money orders and other legal tender of the United States. The subsections under "Cash" include "General", "Cash Collections", "Cash Disbursements" and "Petty Cash Funds and Change Funds". Answer the questions in the sections that are applicable and/or are known high risks for your department.

Answers must be based on observed facts, analyses or statements made by knowledgeable and reliable persons.

Provide an explanation for each "no" response.

GENERAL	YES	NO	NOT SURE	N/A
1. Is each revolving fund, trust fund and bank account established pursuant to specific written authorization by the Board of Supervisors, the County Treasurer and/or the County Auditor-Controller?				
2. Is formal responsibility for each fund (including signature authority) vested in a specific County official(s)?				
3. Are revolving funds, trust funds, and bank accounts reconciled to their accountable balances on a regular basis? Are the reconciliations performed or reviewed by a high level official?				
4. Are cash overages and shortages identified, reported and corrected on a timely basis?				
5. Is cash (including currency, coin, checks, money orders, etc.) physically safeguarded from theft and fraud?				
6. Are cash losses reported to the District Attorney, Auditor-Controller and the County Risk Manager in accordance with the Manual of Accounting Policies and Procedures (MAPP), issued by the Auditor-Controller's Office?				

Provide an explanation for each "no" response under "General-Finance-Cash". Indicate the question # for which you are referring:

CASH COLLECTIONS	YES	NO	NOT SURE	N/A
7. Are the following duties performed by separate individuals? • Receipting • Posting • Depositing • Reconciling				
8. Are all cash collections recorded immediately when received on pre-numbered receipt forms, cash register tapes and/or mail logs?				
9. Does the information on the receipt include: date, amount, payer, method of payment, purpose of payment, cashier's name and account distribution?				
10. Are the original copies of voided receipts marked "void," attached to the other copies of the receipt and retained for audit purposes?				
11. Are checks restrictively endorsed immediately when received?				
12. Are mail remittances listed immediately when received?				
13. Are unidentified mail remittances promptly returned to the payer or deposited into a suspense account for further research?				

14.	Are collections transmitted promptly and intact by branch offices to the central office? Are the branch collections recorded on a batch transmittal log and slip? Are the transmitted amounts logged in, counted, reconciled and receipted by the central office, and are all variances or discrepancies immediately investigated?				
15.	Are controls in place to ensure that cash collections are not co-mingled with other funds, except change funds?				
16.	Is cash counted and reconciled to accountability (undeposited receipts and change funds) at the end of each shift?				
17.	Are cash overages and shortages properly accounted for, and are shortages replenished from a cash difference fund rather than offset against overages?				
18.	Are collections properly recorded, classified and summarized in a cash receipts journal?				
19.	Are collections deposited intact and on a daily basis into the County Treasury or a bank account authorized by the Board of Supervisors, the County Treasurer and/or the County Auditor-Controller?				
20	Are deposits and collections reported to the Auditor's Office on the monthly deposit register?				
21.	Are deposits and collections verified to the appropriate Alcolink accounts on a regular basis?				
22.	Are receipts physically inventoried and accounted for on a periodic basis?				
23.	Is the cashing of personal checks from County funds and cash collections prohibited?				
24.	Is a Board-approved fee levied on all returned checks?				
25.	Is cash on-hand and in-transit safeguarded from theft and fraud?				

Provide an explanation for each "no" response under "Cash Collections". Indicate the question # for which you are referring:

CASH DISBURSEMENTS	YES	NO	NOT SURE	N/A
26. Are the following duties performed by separate individuals? • Preparing vouchers/checks • Approving vouchers/authorizing disbursements • Reconciling disbursements • Maintaining custody of cash				
27. Are disbursements made only from authorized expenditure accounts, trust funds, revolving funds or bank accounts and, except for petty cash payments, paid only through online vouchers, pre-numbered warrants/ checks, and/or journal entries?				
28. Are controls in place to ensure that all disbursements are reasonable, necessary and made in accordance with state and federal regulations and County polices (as defined in the MAPP, MOUs, County Administrative Code, letter orders, OMB Circular A-87, etc.)?				
29. Are cash advances prohibited except as authorized under special circumstances by the Board of Supervisors?				
30. Are all disbursements supported by properly approved, original vendor invoices, employee claims, and/or contractor invoices and, if appropriate, contracts, purchase orders and receiving reports?				
31. Are controls in place to ensure that only authorized personnel approve vouchers and sign warrants/checks?				

32.	Do voucher approvers or check/warrant signers review the supporting documentation before approving the voucher or signing the check?				
33.	Are all disbursements properly recorded, classified and summarized in a cash disbursements journal?				
34.	Are warrants and checks mailed out immediately after proofing and signing and not returned to the persons who prepared or approved them?				
35.	Are adequate controls maintained over unused, returned and voided checks/ warrants and signature stamps, plates and files?				

Provide an explanation for each "no" response under "Cash Disbursements". Indicate the question # for which you are referring:

PETTY CASH FUNDS AND CHANGE FUNDS	YES	NO	NOT SURE	N/A
36. Are procedures for the use of petty cash funds clearly established and do they include: • Clear definitions of authorized uses, including restrictions on the amount and type of disbursements? • Prior approval of disbursements? • Reimbursement only upon submission of receipt and/or other supporting documentation? • Cancellation of voucher and supporting documentation? • Timely replenishment of the fund?				
37. Are controls in place to ensure that petty cash funds are not co-mingled with cash collections and other funds?				
38. Are petty cash funds and change funds counted and reconciled to their accountable balances on a regular basis? Are the reconciliations performed or reviewed by someone other than the custodians of the funds?				
39. Are cash funds counted and verified on a surprise basis by a supervisor?				
40. Are overages/shortages identified, reported and corrected on a timely basis, and are shortages not offset or netted against overages?				

Provide an explanation for each "no" response under "Petty Cash Funds and Change Funds". Indicate the question # for which you are referring:

QUESTIONNAIRE - FINANCE - REVENUE AND ACCOUNTS RECEIVABLE

The questions in the "Finance" module are best answered by a manager(s) who is familiar with all aspects of department's financial operations.

Answers must be based on observed facts, analyses or statements made by knowledgeable and reliable persons.

Provide an explanation for each "no" response.

REVENUES AND ACCOUNTS RECEIVABLE	YES	NO	NOT SURE	N/A
1. **Are the following duties performed by separate individuals?** • **Providing services** • **Preparing billings** • **Approving billings** • **Receiving payments** • **Posting, adjusting and reconciling accounts**				
2. **To the maximum extent possible, is revenue from all eligible sources identified, recorded and collected?**				
3. **Are billings generated in a timely manner for all services rendered, goods sold and costs incurred?**				
4. **Are all billings promptly recorded as accounts receivable?**				
5. **Are authorized fee schedules used for all goods and services?**				
6. **Are billing rates and service fees reviewed periodically to ensure that all costs, including indirect costs, are recovered to the maximum extent possible?**				
7. **Are invoices pre-numbered and accounted for?**				
8. **Are statements of accounts regularly sent to all debtors?**				
9. **Are billings checked for accuracy before mailing?**				
10. **Are the outstanding balances of individual accounts receivable summarized and reconciled to the control balances on a regular basis?**				
11. **Are credits and refunds approved by an appropriate level of authority?**				

REVENUES AND ACCOUNTS RECEIVABLE	YES	NO	NOT SURE	N/A
12. Is an aged trial balance (i.e., a listing of receivables grouped by age: 0-30 days, 31-60 days, 60 - 90 days, over 90 days) prepared on a regular basis to evaluate the adequacy of the collection process and to identify old, unpaid accounts which should be pursued for collection or written-off?				
13. Are overdue accounts pursued for collection and, if appropriate, referred to Central Collections or other collection agencies?				
14. Are uncollectible accounts identified and submitted to the Board of Supervisors on an annual basis for discharge from accountability?				

Provide an explanation for each "no" response above. Indicate the question # for which you are referring:

QUESTIONNAIRE - FINANCE - EXPENDITURES AND ACCOUNTS PAYABLE

The questions in the "Finance" module are best answered by a manager(s) who is familiar with all aspects of department's financial operations.

Answers must be based on observed facts, analyses or statements made by knowledgeable and reliable persons.

Provide an explanation for each "no" response.

EXPENDITURES AND ACCOUNTS PAYABLE	YES	NO	NOT SURE	N/A
1. **Are the following duties performed by separate individuals?** **• Receiving goods** **• Preparing vouchers or checks** **• Approving vouchers and/or authorizing disbursements** **• Posting adjustments and reconciling accounts**				
2. **Are procedures in place to ensure that all liabilities represent valid obligations and that all obligations are properly authorized, supported, recorded and classified?**				
3. **Are expenditures made only from authorized budgetary accounts, trust funds, revolving funds or bank accounts and only through online vouchers, pre-numbered warrants/ checks, and/or journal entries?**				
4. **Are controls in place to ensure that all expenditures are reasonable, necessary and made in accordance with state and federal regulations and County polices (as defined in the MAPP, MOUs, County Administrative Code, letter orders, OMS Circular A-87, etc.)?**				
5. **Are procedures in place to ensure goods and services are obtained at competitive prices?**				
6. **Are all payments and obligations based on properly approved, original vendor invoices, receipts, employee claims, or contractor invoices, and, as appropriate, contracts, purchase orders, receiving reports or other valid payment authorization?**				

EXPENDITURES AND ACCOUNTS PAYABLE	YES	NO	NOT SURE	N/A
7. Do voucher approvers review the supporting documentation before approving the voucher?				
8. Are invoices checked for mathematical accuracy and matched with purchase orders and receiving reports prior to payment?				
9. Are controls in place to ensure that all available vendor discounts are taken, that cash flow is maximized and that vendors are paid on a timely basis?				
10. Are individual accounts payable summarized and reconciled to control balances on a regular basis?				

Provide an explanation for each "no" response above. Indicate the question # for which you are referring:

QUESTIONNAIRE - EXPENSE REPORTS

The questions in the "Expense Reports" module are best answered by a manager(s) who is familiar with all aspects of department's financial operations.

Answers must be based on observed facts, analyses or statements made by knowledgeable and reliable persons.

Provide an explanation for each "no" response.

EXPENSE REPORTS	YES	NO	NOT SURE	N/A
1. Does your department require original receipts for all expenses claimed?				
2. Does your department have any internal control to detect duplicate expenses in the absence of original receipts?				
3. Are allowable expenses clearly explained in your department's policies and procedures?				
4. Do certain expenses require pre-approval? If so, are they clearly outlined in your departmental policy? Are the pre-approvals documented and enforced?				
5. Are there allowable expenses that need to be more clearly defined and/or need to be more restrictive(than the policies imposed by MAPP)?				
6. Are expenses submitted for reimbursement in a timely manner? Do guidelines prescribe any deadline for submission? Does the department ensure that expenses are posted in Alcolink in their proper fiscal year?				
7. Are expense reports reviewed by a supervisor or independent person prior to reimbursement?				
8. For how long are expense reports and all supporting documentation retained?				
9. Does your departmental policy define the consequences of fraudulent submissions?				
10. Is proper justification provided for expenses, before they are incurred?				

Provide an explanation for each "no" response above. Indicate the question # for which you are referring:

QUESTIONNAIRE - COUNTY PROPERTIES & FIXED ASSETS

County properties include such non-monetary and non-digital assets as land, buildings & fixtures, furniture and equipment that are owned or leased by the County. For practical purposes only items with estimated value at $5,000 or above are considered. Computers are considered under "Information Systems".

Answers must be based on observed facts, analyses or statements made by knowledgeable and reliable persons.

Provide an explanation for each "no" response.

COUNTY PROPERTIES & FIXED ASSETS	YES	NO	NOT SURE	N/A
1. Are the following duties performed by separate individuals? • Authorizing fixed asset acquisitions, transfers, and disposals • Posting, adjusting and reconciling fixed asset records • Maintaining custody and using fixed assets • Taking inventory of fixed assets and reconciling to accountable balances				
2. Are written policies and procedures in place regarding the acquisition, capitalization, depreciation, physical inventorying, transfer to salvage and discharge from accountability of fixed assets?				
3. Are capital acquisitions authorized at an appropriate level of authority and in conformity with prescribed polices?				
4. Are adequate detailed records of fixed assets maintained, including identification numbers, locations, descriptions, original cost and, if appropriate, accumulated depreciation?				
5. Is a regular maintenance schedule followed to maintain the usefulness and value of the assets?				
6. Is inventory taken on fixed assets and reconciled to their accountable balances on a regular basis?				

COUNTY PROPERTIES & FIXED ASSETS	YES	NO	NOT SURE	N/A
7. Are dispositions and transfers of fixed assets authorized and made in conformity with prescribed policies?				
8. Are fixed assets physically safeguarded from theft, fraud and misuse?				

Provide an explanation for each "no" response above. Indicate the question # for which you are referring:

QUESTIONNAIRE - PAYROLL

Answers must be based on observed facts, analyses or statements made by knowledgeable and reliable persons.

Provide an explanation for each "no" response.

PAYROLL	YES	NO	NOT SURE	N/A
1. Are the following duties performed by separate individuals? • Authorization of changes in payroll status (hiring, promotion, termination) • Approval of timesheets • Data entry of payroll information • Distribution of payroll warrants • Reconciliation of payroll records				
2. Are written personnel and payroll policies and procedures in place regarding job descriptions and classifications, hiring, promotion, termination, timekeeping, salary rates, MOU provisions?				
3. Are changes in employee status (hiring, promotion, termination) approved at an appropriate level of management and do the changes conform to established policies and procedures?				
4. Is authorizing documentation on file for each employee regarding the employee's appointment, job classification, salary rate and step, proof of citizenship and required documentation?				
5. Are controls over employee timekeeping adequate? Specifically: • Are all employees required to prepare and sign time sheets? • Are time sheets reviewed and signed by the immediate supervisor? • Are leaves of absence (vacation, sick leave) approved by the immediate supervisor? • Is overtime authorized at an appropriate level of authority?				

PAYROLL	YES	NO	NOT SURE	N/A
6. Where appropriate, is employee time documented in sufficient detail so that salaries can be properly allocated to programs and functions within the organization?				
7. Are payroll warrants reviewed prior to distribution by an appropriate level of management to ensure that they are reasonable and accurate and that no unauthorized changes have been made?				
8. Are payroll warrants distributed by someone other than the employees who prepared or input the payroll information?				

Provide an explanation for each "no" response above. Indicate the question # for which you are referring:

QUESTIONNAIRE - LEGAL AND PROGRAM REQUIREMENTS

Answers must be based on observed facts, analyses or statements made by knowledgeable and reliable persons.

Provide an explanation for each "no" response.

LEGAL AND PROGRAM REQUIREMENTS	YES	NO	NOT SURE	N/A
1. Has the organization established procedures to ensure that all legal and program requirements are identified and complied with?				
2. Does the organization periodically evaluate the efficiency, economy and effectiveness with which its program goals and objectives are achieved?				
3. Does the organization prepare an annual indirect cost rate proposal in accordance OMB Circular A-87 and submit it to the Auditor's Office for approval?				
4. Does the organization have a conflict of interest code, and, where appropriate, have its officials submitted conflict of interest statements in compliance with Section 1090 and 87100 of the Government Code and with County Policy?				
5. Are official bonds and insurance policies adequate for the needs of the organization and, where appropriate, have they been submitted to the County Risk Manager for review?				
6. Are procedures in place to ensure that revenue from all eligible sources is properly identified, billed and collected?				
7. Does the organization have controls in place to ensure that subrecipients of federal, state and County funds are monitored on a regular basis to ensure compliance with contracts, grant agreements, the Single Audit Act, Alameda County policy and procedures and other requirements from the funding sources?				

LEGAL AND PROGRAM REQUIREMENTS	YES	NO	NOT SURE	N/A
8. Does the agency/entity have procedures in place to ensure that subrecipients which receive federal funds comply with general and specific federal program requirements, including: • Political activity • Prevailing wages • Civil rights • Cash management • Federal financial reporting • Cost principles • Matching • Eligibility • Specific program requirements				
9. Does the organization have controls in place to ensure that every eligible subrecipient of federal, state and County funds submits an annual audit in accordance with, as appropriate, OMB Circular A-133 (the Single Audit Act), the Government Auditing Standards issued by the U. S. Comptroller General and Alameda County policies and procedures?				
10. Are costs charged to federal programs determined in accordance with federal cost principles as defined in OMB Circulars A-87 and A-122?				
11. Are all required state and federal financial reports submitted in a timely manner adhering to required deadlines?				
12. Are procedures in place to ensure that questioned costs and other reported audit findings are reviewed and corrected in a timely manner?				
13. Does the organization have policies and procedures in place to ensure that persons are not discriminated against on the basis of race, color, national origin, age, handicap, sex or religion?				
14. Does the organization have policies and procedures in place to ensure a drug-free workplace?				
15. Does the organization have policies and procedures in place to ensure a safe and secure workplace?				

LEGAL AND PROGRAM REQUIREMENTS	YES	NO	NOT SURE	N/A
16. Does the organization have policies and procedures in place to ensure a workplace free of sexual harassment?				

Provide an explanation for each "no" response above. Indicate the question # for which you are referring:

QUESTIONNAIRE - INFORMATION SYSTEMS

The questions in the "Information Systems" module are best answered by a manager(s) who is familiar with all aspects of information systems/technology.

The subsections under "Information Systems" include "Computer Equipment", "Protection of Information", and "Usefulness of Information". Answer the questions in the sections that are applicable and/or are known high risks for your department.

Answers must be based on observed facts, analyses or statements made by knowledgeable and reliable persons.

Provide an explanation for each "no" response.

COMPUTER EQUIPMENT	YES	NO	NOT SURE	N/A
1. Is the Countywide Computer Use Policy adopted and implemented?				
2. Are policies specific to work units developed to protect equipment?				
3. Is physical access to equipment limited to authorized personnel?				
4. Are instructions and training provided to new equipment users?				
5. Is equipment breakdown promptly reported and acted on?				
6. Are purchases of equipment coordinated and planned to ensure long-term compatibility?				

Provide an explanation for each "no" response above. Indicate the question # for which you are referring:

PROTECTION OF INFORMATION	YES	NO	NOT SURE	N/A
7. Is a person designated as security administrator to ensure the security of information?				
8. Is access to data and program files restricted to authorized personnel?				
9. Is access to sensitive electronic information restricted by password?				
10. Are procedures established for the retention and back up of critical computer files?				
11. Is there a policy to control the risks from internet usage?				

Provide an explanation for each "no" response above. Indicate the question # for which you are referring:

USEFULNESS OF INFORMATION	YES	NO	NOT SURE	N/A
12. Is the usefulness of outpur from information systems periodically evaluated?				
13. Are users periodically surveyed as to the usefulness of the information they receive?				
14. Are users kept informed of new capabilities of the system?				

Provide an explanation for each "no" response above. Indicate the question # for which you are referring: