

Internal Control Questionnaire

This internal control questionnaire is a series of yes or no questions about your organization's structure. Any no answers will help direct you to areas and activities where there is a risk of human error and fraudulent activity. Please remember that this is not a complete listing of all controls and some questions may not pertain to your organization.

Organization name

Prepared by

Date

No.	Question	Yes	No	N/A	Responsible person	Comment
	Policies and Procedures					
1	Does your organization have an up-to-date accounting policies and procedures manual?					
2	Are personnel policies maintained and distributed to all personnel?					
3	Are gift acceptance policies maintained and distributed to all appropriate personnel?					
4	Does your organization have an organizational chart that clearly defines lines of authority and responsibility?					
5	Are current job descriptions on file for each employee in the organization?					
6	Does the governing board authorize all bank accounts and check signers annually?					
7	Is the bank immediately notified of all changes in authorized check signers?					

No.	Question	Yes	No	N/A	Responsible person	Comment
8	Are all bank and investment accounts in the name of the organization?					
9	Does the organization have a written conflict-of-interest policy?					
	Cash Receipts					
10	Are all checks received made payable to the name of the organization?					
11	Is the mail opened by someone independent of the accounting function?					
12	When the mail is opened, is an independent listing prepared of all checks received?					
13	Is the listing of receipts sent directly to those responsible for the general ledger, receivables, and bank reconciliations?					
14	Is the list of receipts compared to the duplicate bank deposit slip?					
15	Are checks restrictively endorsed "for deposit only" immediately upon receipt?					
16	Are cash receipts kept in secure storage until deposited?					
17	Are cash receipts recorded and reconciled to the general ledger monthly?					
18	Are deposits made daily?					
19	Are cash receipts deposited intact with no expenditures made from collections?					

No.	Question	Yes	No	N/A	Responsible person	Comment
20	Are deposits made by someone independent of the accounting and cashiering functions?					
21	Are cash receipts used only for the purpose for which they were received?					
22	Are cash handling responsibilities rotated among when possible?					
23	Are numerically controlled receipt slips used for all cash receipts received in the organization?					
24	Are numerically controlled cash receipt slips accounted for and reconciled on a regular basis?					
25	Are the bank statements received and opened by someone independent of the accounting function?					
26	Are bank reconciliations prepared by someone independent of the cash receiving, processing and recording activities?					
27	Does someone other than the preparer review and approve the bank reconciliations?					
28	Does someone review cancelled checks?					
29	Is the cash receipts journal posted by someone independent of the receiving and cash processing activities?					
30	Are G/L revenue accounts regularly reviewed by someone independent of the accounting function?					
31	Are contributions reported by the accounting department compared monthly to records maintained by the development department?					
32	Are discrepancies reported to the ED?					

No.	Question	Yes	No	N/A	Responsible person	Comment
	Petty Cash					
33	Are petty cash funds kept in secure storage?					
34	Are petty cash funds maintained on an imprest basis?					
35	Is responsibility for each petty cash fund assigned to a specific responsible individual?					
36	Are these individuals independent of employees who handle cash receipts and accounting records?					
37	Is there a prohibition against petty cash disbursements over a specified amount?					
38	Is a voucher used for all petty cash disbursements?					
39	Is the voucher prenumbered?					
40	Do all petty cash disbursements require original receipts for reimbursement?					
41	Are surprise cash counts of organization petty cash and change funds performed on a regular, random, and unannounced basis?					
42	Is the cashing of employee paychecks out of the petty cash fund prohibited?					
	Travel					
43	Is all travel reviewed for benefit to the organization and cost prior to trip approval being given?					
44	Are travel plans made sufficiently in advance to obtain the most favorable transportation rates?					

No.	Question	Yes	No	N/A	Responsible person	Comment
45	Are travelers required to provide original receipts for all travel-related expenses?					
46	Are direct advance payments and use of credit cards encouraged over cash travel advances?					
47	Are travel expense reports reviewed in detail prior to being approved for reimbursement?					
48	Are travel expense reports required to be completed in the time frames specified by organization policy?					
49	Are unauthorized personal expenses excluded from travel expense reports?					
50	Are travelers required to review the organization's travel policy prior to traveling?					
	Cash Disbursements/Purchases					
51	Are the authorization, processing, check signing, recording and bank reconciliation functions clearly segregated?					
52	Are persons authorized to approve expenditures clearly identified?					
53	Has the organization's disbursement approval policy been communicated to all appropriate staff?					
54	Are all expenditures approved in advance by an appropriately authorized person?					
55	Are all invoices or requests for disbursements supported by appropriate receipts or documentation that indicates receipt of the goods or services?					
56	Are all disbursements made by prenumbered checks?					

No.	Question	Yes	No	N/A	Responsible person	Comment
57	Are all checks used in sequence?					
58	Is a record of the cash disbursement (e.g., check stub, check copy, cash disbursement record) kept by the person processing the check?					
59	Does a disbursement list accompany the checks for signature?					
60	Do larger checks require a higher level of authority?					
61	Have dollar limits been established for one-signature checks?					
62	Are checks required to be countersigned?					
63	Is the number of authorized signatures limited to a minimum practical number?					
64	Are signed check mailed promptly by whomever signs the check?					
65	Does the check signer review and initial documentation supporting checks indicating completeness and approval?					
66	Does the check signer compare check amounts, on a selected random basis, to the disbursement list that accompanies the checks to be signed?					
67	Is the disbursement list initialed by the check signer and compared to the disbursement summary?					
68	If part of an automatic data system, are there independent checks and balances to ensure proper processing without manual intervention?					

No.	Question	Yes	No	N/A	Responsible person	Comment
69	Is the cash disbursement journal posting under the control of someone independent of the authorization, check processing, and check signing process?					
70	Does the organization have competitive bidding policies for its purchases?					
71	If so, are these policies followed?					
72	Are all purchase requisitions reviewed by a senior official to ensure reasonableness and appropriate delivery address?					
73	Are purchases that are not for organization use prohibited?					
74	Are the organization's ordering and receiving processes segregated to the greatest extent possible?					
75	Are all purchases and requisitions of goods and services reconciled to the monthly general ledger?					
76	Are all checks (including voided checks) accounted for?					
77	Are blank check stocks stored securely?					
78	Are all new vendors/contractors approved in advance?					
79	Is there a written prohibition against drawing checks payable to cash ?					
80	Is there a written prohibition against signing checks in advance (blank checks)?					

No.	Question	Yes	No	N/A	Responsible person	Comment
81	Is a cash disbursement voucher prepared for each invoice or check request that details the date of check, check number, payee, amount of check, description of expense account to be charged, authorization signature, and accompanying receipts?					
82	Does the check signer review the cash disbursement voucher for the proper approved authorization and supporting documentation of expenses?					
83	Are invoices marked "paid" with the date and amount of the check or cancelled in some way?					
84	Are requests for reimbursement and other invoices checked for mathematical accuracy and reasonableness before approval?					
85	Is a cash disbursement journal prepared monthly that details the date of check, check number, payee, amount of check, and columnar description of expense account (and restricted fund) to be charged?					
86	Are unpaid invoices maintained in an unpaid invoice file?					
87	Is a list of unpaid invoices regularly prepared and periodically reviewed?					
88	Are invoices from unfamiliar or unusual vendors reviewed and approved for payment by authorized personnel who are independent of the invoice processing function?					
89	If the organization keeps an accounts payable register, are payments promptly recorded in the register to avoid double payment?					
90	If purchase orders are used, are all purchase transactions used with pre-numbered purchase orders?					

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91	Are advance payments to vendors and/or employees recorded as receivables and controlled in a manner which assures that they will be offset against invoices or expense vouchers?					
92	Are there adequate controls for non-check disbursements such as debit memos and wire transfers (e.g., passwords, bank callback verifications, etc.)?					
93	Are checks outstanding for over 90 days periodically investigated?					
	Investments					
94	Is there a written investment policy?					
95	Has the policy been approved or reaffirmed by the governing board within the last year?					
96	Are all investment transactions reviewed and approved by the governing board or an authorized board committee?					
97	Does a responsible official or investment committee determine that investments are of the type permitted by funding sources, donors, and/or organizational policy?					
	Payroll					
98	Are all staff time records reviewed and authorized by an appropriate senior official?					
99	Are copies of timekeeping records retained on file?					
100	Are reported overtime hours verified for reasonableness and proper pre-approval?					

No.	Question	Yes	No	N/A	Responsible person	Comment
101	Are pay checks distributed by someone other than the timekeeper?					
102	Are undistributed pay checks returned to the finance office after three working days?					
103	Are labor distribution and vacation/sick accrual reports reviewed for reasonableness each pay period by a senior official?					
104	Are all changes to employee status or pay rate authorized and approved by an appropriate official?					
105	Is documentation of this approval maintained in each employee's personnel file?					
	Information System Security					
106	Is the need for password security reinforced to organization staff?					
107	Is the use of software not licensed to the organization prohibited on organization computers?					
108	Are computer applications logged-off when the user is away from the terminal or PC?					
109	Are all disks brought in from outside sources tested for computer viruses before being used?					
110	Are disks secured when not in use?					
111	Are back-up disks maintained of all critical information?					
112	Is sensitive information protected by password?					
113	Are staff members encouraged to save work frequently?					

No.	Question	Yes	No	N/A	Responsible person	Comment
114	Are electrical surge suppressers used on all computer equipment?					
	Other Indicators					
115	Is the work of all staff members double-checked on a random, unannounced basis?					
116	Are all staff members required to take one full week of continuous vacation time annually, especially those handling or posting cash receipts and those dealing with investments?					
117	Are duties segregated in all cash handling functions?					
118	Are job duties rotated when possible in cash handling functions?					
119	Does more than one person have access to every screen or software application in the organization?					
120	Is employee performance reviewed and documented on a regular basis?					
121	Are unusual trends or discrepancies in organization accounts identified and reconciled monthly?					
122	Are missing numbers in sequences of numerically controlled documents identified and investigated immediately?					