

**ENTITY** \_\_\_\_\_ 2017 ICQs

June 30, 2017

**CONTROL ACTIVITIES**  
**CASH**

<b>QUESTION</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>	<b>REMARKS</b>
<b>PETTY CASH/CHANGE FUNDS</b>				
A. Segregation of Duties				
1. Is the custodian of the petty cash and/or change fund prohibited from handling more than one fund or other cash receipts?				
2. Are the reimbursement vouchers approved by a responsible employee who has no direct access to the petty cash?				
3. Is the frequency of petty cash fund replenishments monitored by someone other than the fund custodian?				
4. Is the depositing, reconciling and recording of the office/department's receipts/collections done by someone other than the custodian of the petty cash and/or change funds?				
B. Procedural Controls				
1. Is the petty cash and/or change fund:				
a. Properly authorized?				
b. The responsibility of only one person?				
c. Controlled by an imprest system?				
2. Are petty cash vouchers:				
a. Signed by the person receiving the cash?				
b. Prepared in ink and required for each disbursement?				
c. Supported by an invoice with the amounts and purpose spelled out?				
3. Are the vouchers and attachments properly canceled to prevent their reuse?				
4. Is the petty cash and/or change fund verified by surprise counts?				
5. Are IOUs, unauthorized advances and personal checks prohibited?				
6. Are petty cash funds restricted to disbursements not exceeding a fixed amount?				
7. Are reimbursements made payable to the petty cash fund?				
8. Are petty cash and/or change fund balances adequate for the activity's needs?				
9. Are deposits reconciled to a control (i.e. cash register tape)?				

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<p>C. Custody</p> <p>1. Are petty cash and/or change funds properly safeguarded?</p> <p><b>CASH IN BANK</b></p> <p>A. Segregation of Duties</p> <p>1. Are responsibilities for preparing bank account reconciliations segregated from other cash receipt or disbursement functions?</p> <p>2. Are bank accounts reconciled by an employee who does not sign checks, handle or record cash?</p> <p>3. Are reconciliations reviewed and approved by a person who is not responsible for receipts and disbursements?</p> <p>4. Does the entity use computer software to account for cash or fund balances?</p> <p>a. Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need. Identify those with access.</p> <p>b. Does an independent person approve electronic fund transfers for cash?</p> <p>B. Procedural Controls</p> <p>1. Are all bank accounts and check signatures properly authorized?</p> <p>2. Are bank statements and redeemed checks delivered in unopened envelopes directly to the employee preparing the reconciliation?</p> <p>3. In the reconciliation process:</p> <p>a. Are checks compared in appropriate detail with disbursement records?</p> <p>b. Is there scrutiny of signatures and endorsements on checks, at least on a test basis, to determine forgeries, alterations or improper endorsement?</p> <p>c. Is the numerical sequence of checks used accounted for?</p> <p>d. Is there evidence of review of the reconciliation process?</p> <p>e. Are reconciling items properly documented?</p> <p>f. Are variances investigated and appropriately resolved?</p> <p>4. Are checks outstanding for a considerable time periodically reviewed for propriety?</p>				

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5. Do procedures provide for immediate bank notification when an authorized signer of checks changes duties or resigns?  6. For on-line banking: a. Are strong passwords required and changed regularly? b. Does the financial institution, in addition to passwords, use multi-factor authentication methods for on-line bank access (e.g. tokens, digital certificates or smart cards)? c. Does the entity review account activity frequently (UCC allows businesses two days to detect a fraudulent bank transaction)? d. Is dual authorization or phone verification required for all transfers?  C. Custody 1. Are depositories periodically reviewed and formally reauthorized? 2. Are controls maintained over the supply of unused and voided checks?				