

ENTITY _____ 2019 ICQs _____

June 30, 2019

CONTROL ACTIVITIES
INVENTORIES

QUESTION	YES	NO	N/A	REMARKS
<p>A. Segregation of Duties</p> <ol style="list-style-type: none"> Is there segregation of duties between persons who handle the inventories and those: <ol style="list-style-type: none"> Handling inventory records? Recording purchases? Are receiving, issuing, accounting and storing responsibilities properly segregated? Are inventory counts verified by persons independent of those in charge of the inventory records? Is there physical segregation and proper accounting control of merchandise on hand that is not the property of the entity? Does the entity use computer software to account for perpetual inventory balances? <ol style="list-style-type: none"> Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need? Identify those with access. <p>B. Procedural Controls</p> <ol style="list-style-type: none"> Is a central storeroom/facility/location/and receiving station maintained? Are materials released from the storeroom only on receipt of approved requisitions? Are all incoming shipments, including returns, handled by a central receiving department? Are purchases made by requisition/purchase order only? Is a record kept of keys to storerooms, storage areas, etc.? Are pre-numbered receiving reports used and copies forwarded to the accounting department? Are issuing and billing procedures designed and correlated to ensure the billing of all items sold? Is there proper cutoff of inventory receipts and issues during inventory counts? After the inventory is counted, are the count tags, sheets, etc., properly controlled? Are responsible officials advised of significant inventory discrepancies? Are perpetual records adjusted for discrepancies? Are obsolete, damaged, and slow-moving items reported to a responsible person? 				

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QUESTION	YES	NO	N/A	REMARKS
13. Do adequate controls exist over the disposition (re-use or sale) of salvaged materials/scrap metal?				
C. Custody				
1. Are inventories under the physical control of designated individuals who are held responsible for quantities on hand?				
2. Are the storerooms or storage areas properly safeguarded or controlled to prevent access to materials by unauthorized persons?				
3. Has adequate protection against spoilage been provided for?				