

ENTITY 2019 ICQs

June 30, 2019

CONTROL ENVIRONMENT

QUESTION	YES	NO	N/A	REMARKS
<p>OBJECTIVE: To obtain sufficient knowledge of the control environment to understand management's and the governing body's attitude, awareness and actions concerning the factors of the control environment:</p> <ul style="list-style-type: none"> • Communication and Enforcement of Integrity and Ethical Values • Participation of Those Charged with Governance • Commitment to Competence • Organizational Structure • Assignment of Authority and Responsibility • Human Resource Policies and Practices <p>COMMUNICATION AND ENFORCEMENT OF INTEGRITY AND ETHICAL VALUES</p> <ol style="list-style-type: none"> 1. Does previous experience with the entity indicate integrity among the entity's officials and personnel? 2. Has the entity created and maintained a culture of honesty and ethical behavior? 3. Has the entity established policies regarding such matters as acceptable business practices, conflicts of interest and codes of conduct? 4. Has the entity established procedures to identify and monitor related party transactions? 5. Have these policies been adequately communicated? 6. Is there written notification to employees when federal or state grant provisions or related regulations impose requirements that differ from the entity's normal policies and procedures? 7. Do no situations exist involving significant pressures to not exceed budgeted amounts because of taxpayer initiatives, election promises or similar political considerations? <p>COMMITMENT TO COMPETENCE</p> <ol style="list-style-type: none"> 1. Does previous experience with the entity indicate competence among the entity's officials and personnel? 2. Does the entity define tasks that make up a particular job? 3. Does the entity analyze the knowledge and skills needed to perform jobs adequately? 4. Does management hold individuals accountable for their internal control responsibilities? 5. Does the entity provide for adequate training of employees, including information technology (IT) personnel? 				

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6. Are the personnel responsible for ensuring compliance with federal and state laws and regulations knowledgeable and experienced in administering these programs?				
7. Do accounting personnel appear to have the background, education and experience appropriate for their duties?				
8. Do accounting personnel appear to understand the duties and procedures applicable to their jobs?				
9. Do accounting personnel appear to have sufficient expertise in selecting and applying accounting principles?				
PARTICIPATION OF THOSE CHARGED WITH GOVERNANCE				
1. Are there regular meetings of the governing body to set policies and objectives and review the entity's performance?				
2. Are the minutes of such meetings prepared and signed on a timely basis?				
3. Has the governing body been informed about and approved all of the federal and state grants the entity is to or has received?				
4. Does a governing body/audit committee represent an informed, vigilant and effective overseer of the financial reporting process and the entity's internal controls?				
5. Does the governing body/audit committee adequately maintain a direct line of communication with the entity's external and internal auditors?				
MANAGEMENT'S PHILOSOPHY AND OPERATING STYLE				
1. Does the entity have a mission statement, objectives and goals?				
2. Are management and operating decisions determined at appropriate levels?				
3. Have entity officials given a high priority to its internal controls?				
4. Do the governing body and other entity officials emphasize meeting the budget and/or other financial and operating goals?				
5. Do the governing body and other appropriate entity officials take an active role in the financial reporting of the entity?				
6. Is the entity adequately meeting its financial obligations?				
7. Has the entity been responsive to prior recommendations from its auditors?				
8. Is the entity willing to adjust the financial statements for misstatements that approach a material amount?				
9. Is there a plan for the future development of new information systems and acquisition of hardware?				
10. Is this plan reviewed and approved by senior management within the office, division or department?				

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ORGANIZATIONAL STRUCTURE				
1. Does the entity have a current table of organization, including IT personnel?				
2. Is the organizational structure appropriate for the size and complexity of the entity?				
3. Are the lines of authority and responsibility clearly defined for the entity?				
4. Are there formalized policies and procedures for all major operations of the entity?				
5. Are policies and procedures for authorizations established at an adequately high level?				
6. Do the governing body and entity officials stress adherence to such policies and procedures?				
7. Have specific lines of authority and responsibility been established to ensure compliance with federal and state laws and regulations?				
ASSIGNMENT OF AUTHORITY AND RESPONSIBILITY				
1. Is there a clear assignment of responsibility and delegation of authority to deal with such matters as organizational goals and objectives, operating functions and regulatory requirements?				
2. Are entity officials actively involved in supervision of the various functions?				
3. Are channels of communication (from top down and from bottom up) being utilized?				
4. Has fiscal authority been formally delegated to specific management personnel?				
5. Do entity officials understand the concept and importance of internal controls, including the division of responsibility?				
6. Are there written job descriptions for each employee delineating specific duties, reporting relationships and constraints, including IT personnel?				
7. Has management clearly communicated the scope of authority and responsibility to deal with information system management?				
8. Has the entity identified an individual who is responsible for coordinating the various federal and state programs within the entity?				
9. Are federal and state compliance requirements communicated to subrecipients before passing down funding?				
10. Have entity officials assigned responsibilities for the timely review of subrecipient audit reports and resolution of any non-compliance items noted in those audit reports?				

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HUMAN RESOURCE POLICIES AND PRACTICES				
1. Does the entity check credentials and references of new employees?				
2. Are confidentiality agreements required for employees who come in contact with confidential information?				
3. Does the workload of the accounting employees facilitate the preparation of reliable accounting records?				
4. Is turnover of key fiscal personnel relatively low?				
5. Are vacations mandatory for financial personnel and are duties rotated when employees are on vacation?				
6. Are policies regarding personal use of computer equipment and software clearly stated?				
7. Does the entity have an information security officer?				
8. Does the entity have a formal IT security policy?				
9. Are IT policies and expectations clearly communicated to all employees?				
10. Does the workload permit IT personnel to perform their internal control responsibilities?				
11. Is the IT work force relatively stable (low turnover)?				
12. Is there a policy regarding ownership of in-house developed software and data?				
13. Do the IT personnel practices include policies to maintain security upon termination of employment?				
14. Are there regular evaluations of employee job performance?				
15. Do officials and supervisors review evaluations with employees?				
16. Are officials and supervisors required, as part of the evaluation process, to suggest measures to correct weaknesses or inadequacies?				
17. Does the entity have policies and procedures which address employee disciplinary action when necessary?				