ENTITY INTERNAL CONTROL QUESTIONNAIRE

For the year ended June 30, 2015

MARY MOSIMAN, CPA
AUDITOR OF STATE

ENTITY **Sample Entity**

June 30, 2015 **INTERNAL CONTROL**

	W/P REF.
CONTROL ENVIRONMENT	GF 3.2
ENTITY'S RISK ASSESSMENT	GF-3.3
INFORMATION AND COMMUNICATION	GF-3.4
MONITORING	GF-3.5
INFORMATION TECHNOLOGY (IT)	GF-3.6
CONTROL ACTIVITIES (Including control risk assessment):	
CASH	GF-3.7
INVESTMENTS	GF-3.8
INVENTORIES	GF-3.9
CAPITAL ASSETS	GF-3.10
LONG-TERM DEBT	GF-3.11
RECEIPTS/REVENUES/RECEIVABLES	GF-3.12
TAXES AND SPECIAL ASSESSMENTS	GF-3.13
DISBURSEMENTS/EXPENDITURES/PAYABLES	GF-3.14
PAYROLL	GF-3.15
TRANSFERS	GF-3.16
FINANCIAL REPORTING	GF-3.17
OTHER:	
_____	GF-3.__.__
_____	GF-3.__.__
SINGLE AUDIT	GF-3.__.__

Incharge _____ Date _____

Manager _____ Date _____

Independent Reviewer _____ Date _____

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ENVIRONMENT**

QUESTION	YES	NO	N/A	REMARKS
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:				
A. Communication and Enforcement of Integrity and Ethical Values **B. Commitment to Competence** **C. Participation of Those Charged with Governance** **D. Management's Philosophy and Operating Style** **E. Organizational Structure** **F. Assignment of Authority and Responsibility** **G. Human Resource Policies and Practices**				
COMMUNICATION AND ENFORCEMENT OF INTEGRITY AND ETHICAL VALUES				
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. There are no significant pressures that exist to not exceed budgeted amounts because of taxpayer initiatives, election promises or similar political considerations?				
COMMITMENT TO COMPETENCE				
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?				
6. Are the personnel responsible for ensuring compliance with federal and state laws and regulations knowledgeable and experienced in administering these programs?				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ENVIRONMENT**

QUESTION	YES	NO	N/A	REMARKS
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?				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ENVIRONMENT**

QUESTION	YES	NO	N/A	REMARKS
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?				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ENVIRONMENT**

QUESTION	YES	NO	N/A	REMARKS
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?				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ENVIRONMENT**

Briefly summarize how the design of the control environment was identified.

Briefly summarize how the controls were determined to be implemented.

Briefly summarize the significant elements (major concerns) of the control environment that affect the risk of material misstatement in the financial statements.

Identify the tests of controls, if any, performed to test the operating effectiveness of the control environment.

ENTITY **Sample Entity**

June 30, 2015 **ENTITY'S RISK ASSESSMENT**

QUESTION	YES	NO	N/A	REMARKS
OBJECTIVE: To obtain sufficient knowledge of the entity's process for identifying, analyzing and managing risks relevant to operations, compliance and the preparation of the financial statements.				
1. Has management assessed the effect of the following conditions on the entity's ability to prepare financial statements that are free from material misstatement:				
a. Changes in the entity's operating environment?				
b. New personnel?				
c. New or revised computer systems?				
d. Rapid growth?				
e. New technology?				
f. New departments or other activities?				
g. Restructuring or reorganization resulting in staff reductions, changes in supervision or segregation of duties?				
h. New accounting pronouncements?				
i. Related party transactions?				
j. Potential for fraud?				
2. Are there risks relevant to financial reporting management has decided to accept because of cost or other considerations?				
3. If so, are the effects considered by the auditor to be immaterial to the financial statements?				
4. Does management consult with its auditors on (or make independent assessments of) new accounting issues or pronouncements?				
5. Are entity wide objectives broad and communicated to employees and management?				
6. Has management identified and analyzed risks arising from internal and external sources?				
7. Has the entity established clear budget and financial objectives?				
8. Does the entity react appropriately to changes, both internal and external?				

ENTITY **Sample Entity**

June 30, 2015 **ENTITY'S RISK ASSESSMENT**

Briefly summarize how the design of the entity's risk assessment process was identified.

Briefly summarize how the controls were determined to be implemented.

Briefly summarize the significant elements (major concerns) of the entity's risk assessment process that affect the risk of material misstatement in the financial statements.

Identify the tests of controls, if any, performed to test the operating effectiveness of the controls.

ENTITY **Sample Entity**

June 30, 2015 **INFORMATION AND COMMUNICATION**

QUESTION	YES	NO	N/A	REMARKS
OBJECTIVE: To obtain sufficient knowledge of how the entity communicates individual roles and responsibilities in the financial reporting process, how the entity obtains or generates and uses relevant, quality information to support the functioning of internal control and how the entity communicates with external parties regarding matters affecting the functioning of internal control.				
GENERAL				
1. Do accounting and key management personnel understand the duties and control responsibilities applicable to their jobs and how those responsibilities contribute to the entity's financial reporting objectives?				
2. Do personnel have a clear understanding of the types of problems that should be reported to management?				
3. Are employees encouraged to report suspected improprieties to management?				
4. Does management communicate with external parties regarding matters affecting the functioning of internal control work?				
ACCOUNTING SYSTEM				
A. Segregation of Duties				
1. Is the general accounting/general ledger/journal entry function separate from custody and control over assets such as cash, securities and inventory?				
2. Are personnel performing the general accounting/ general ledger/journal entry function not involved in the detail recording functions of accounts receivable, accounts payable or purchasing?				
B. Procedural Controls				
1. Have all significant account balances and classes of transactions been identified by the entity's annual and other public reports?				
2. Does the entity maintain an accounting manual?				
3. Does the entity have formalized accounting processes for all significant account balances and classes of transactions?				
4. Are these accounting processes defined and documented?				
5. Is a separate process documented for adjustments to the records (journal entries)?				
6. Are accounting manuals distributed to appropriate personnel?				
7. Are the accounting records maintained on a current basis?				

ENTITY **Sample Entity**

June 30, 2015 **INFORMATION AND COMMUNICATION**

QUESTION	YES	NO	N/A	REMARKS
8. Does a complete and current chart of accounts exist that includes descriptions of items properly posted to each account?				
9. Is a double entry system in use that includes a general ledger and subsidiary ledgers? If so, are they balanced monthly?				
10. Are all journal entries adequately explained and supported?				
11. Do all journal entries include adequate identification of the accounts in which they are to be recorded?				
12. Do the accounting procedures, chart of accounts, etc. provide:				
a. For identifying revenues, expenditures and balances of federal and state program funds separately for each grant/contract?				
b. A means to properly classify federal/state program revenues/receipts by source, grant and project?				
c. A means to properly classify federal/state program expenditures/disbursements by grant, project and activity?				
13. Does the accounting system provide for accumulating and recording grant expenditures/disbursements as shown in the federal/state grant budget?				
14. Do the Officials reconcile their separate records monthly and properly resolve any differences?				
C. Custody				
1. Is access to accounting records limited to employees with designated responsibility for such records?				
2. Are there adequate physical safeguards maintained over accounting records, e.g., books of original entry, and the general ledger?				
3. Are the accounting records, including the supporting documents, retained and stored for a sufficient amount of time?				
4. Are there adequate facilities for safekeeping of the ledgers and related records?				
5. Are the accounting records for federal and state grants separately maintained in grant files or referenced appropriately to provide a clear audit trail for federal and state grants?				

ENTITY **Sample Entity**

June 30, 2015 **INFORMATION AND COMMUNICATION**

Briefly summarize how the design of the information and communication process was identified.

Briefly summarize how the controls were determined to be implemented.

Briefly summarize the significant elements (major concerns) of the entity's information and communication process that affect the risk of material misstatement in the financial statements.

Identify the tests of controls, if any, performed to test the operating effectiveness of the controls.

ENTITY **Sample Entity**

June 30, 2015 **MONITORING**

QUESTION	YES	NO	N/A	REMARKS
OBJECTIVE: To obtain sufficient knowledge of how the entity monitors the continued effectiveness of its internal controls.				
1. Does management review supporting documentation of allowable cost information?				
2. Do personnel, in carrying out their regular activities, obtain evidence as to the adequacy of internal controls?				
3. Is management adequately involved in designing and approving accounting system procedures?				
4. Does management take appropriate follow-up action for identified problems or weaknesses in internal controls (including matters communicated by the auditors)?				
5. Are there periodic comparisons of amounts recorded by the accounting system with physical assets?				
6. Is approval of a responsible official required for all general journal entries that are not standard entries?				
7. Is approval of a responsible official required for public distribution of financial reports and information?				
8. Are budgets required for governmental funds and proprietary funds?				
9. Are budgets submitted to administrators in accordance with an established time schedule?				
10. Are budget variances reported on a periodic basis and analyzed?				
11. Is the budget prepared and communicated in sufficient detail to provide a meaningful tool with which to monitor performance?				
12. Are budgets prepared for all significant activities regardless of whether mandated by law?				
13. Are interim financial reports prepared that compare actual results to prior results and current budgets?				
14. Are there established procedures for amendments of budgets that require adequate support for authorization of amendments?				
15. Are financial and statistical reports prepared for the governing body on a timely basis and frequently enough to be useful?				
16. Has management established policies and procedures that provide reasonable assurance of reliable accounting estimates?				
17. Do senior administrators use budget variance reports, operating analyses or interim financial reports to monitor operations?				
18. Do independent personnel reconcile significant assets with accounting records and reconcile detail and control accounts at sufficiently frequent intervals?				

ENTITY **Sample Entity**

June 30, 2015 **MONITORING**

QUESTION	YES	NO	N/A	REMARKS
19. Does the entity have a functioning internal audit staff?				
a. Are internal auditors independent of the individuals or departments subject to audit?				
b. Is the scope of internal audit work reasonably comprehensive?				
c. Do internal auditors work from written programs?				
d. Are written reports issued by internal auditors on all work undertaken?				
e. Do internal auditors report the results of financial and compliance audits to senior administrators?				
f. Do internal auditors report to or have direct access to the audit committee?				
g. Is the senior official of the internal audit function elected or appointed by and reports directly to a governing body?				
20. Are all public officials and employees covered by a fidelity bond?				
21. With respect to service organizations which the entity uses to process transactions or which are part of the entity's information system:				
a. Is the contract between the entity and the service organization non-discretionary (that is, it does not give the service organization discretionary authority to execute transactions without the entity's involvement at the time of execution)?				
b. Is the service provided highly standardized and used extensively by many other entities rather than being unique and used by only a few entities?				
c. Does the entity retain responsibility for authorizing transactions?				
d. Are control policies and procedures applied to the transactions affected by the service organization's activities?				
e. Does the entity retain accountability for the transactions (does the entity maintain records supporting its assets and transactions involving those assets)?				
f. Does the service organization provide the entity with information about custody of assets, recordkeeping for assets and transactions by the organization?				
g. Is any information in the service organization's possession about the entity's assets verifiable by the entity?				
22. Do other parties outside the entity rely on the entity's financial statements?				

ENTITY **Sample Entity**

June 30, 2015 **MONITORING**

QUESTION	YES	NO	N/A	REMARKS
23. Do legislative or regulatory bodies impose monitoring or compliance requirements?				
24. Are reviews and follow-ups performed by outside parties? (i.e. grantor agencies)				

ENTITY **Sample Entity**

June 30, 2015 **MONITORING**

Briefly summarize how the design of the monitoring process was identified.

Briefly summarize how the controls were determined to be implemented.

Briefly summarize the significant elements (major concerns) of the entity's monitoring process that affect the risk of material misstatement in the financial statements.

Identify the tests of controls, if any, performed to test the operating effectiveness of the controls.

ENTITY **Sample Entity**

June 30, 2015 **IT**

QUESTION	YES	NO	N/A	REMARKS
OBJECTIVE: To obtain knowledge about specific information system policies and procedures management has established to provide reasonable assurance specific entity objectives are achieved. The objectives include: **A. Proper authorization of transactions and activities related to information technology.** **B. Segregation of duties in functions related to information technology.** **C. Design and use of adequate IT documents and records.** **D. Adequate safeguards over access to and use of the information system, assets and records.** **E. Independent checks on performance of IT functions.**				
Accounting System				
A. Does the entity use a computer system to prepare its financial information?				
B. Are all funds, classes of transactions and/or account balances included in this system? If not, identify additional systems.				
C. Is a computer log maintained to determine who recorded a transaction, based on an employee's login name? (A computer log could be the identification of the employee who recorded a transaction based on their login name or it may be for a group of transactions. This information should be attached to the transaction in the data file.)				
D. Are all source documents numbered with a unique number when printed by the computer system?				
E. Are source documents, including error corrections, completed and signed or initialed by the preparer before being entered in the computer system?				
F. Are adequate procedures in place to trace and correct input errors?				
G. Are corrections identified and recorded in such a manner that duplicate correction will not occur?				
H. If operating or financial reporting personnel rely on PC software reports generated by end users through the use of spreadsheets (for example, Excel, Lotus 1-2-3 and Quattro), are there procedures to ensure such reports are accurate?				
Computer Systems				
A. Applicable Computer Systems				
1. Are computer systems being used by the entity for the following transaction cycles? Please document if the transaction cycle uses a computer (Yes) or manual (No) and, if a computer is used, mark "M" if mainframe, "S" if server based system (LAN/WAN) or "PC" for personal computer. Also, document what computer software is used for each of the following:				
• Cash				

ENTITY **Sample Entity**

June 30, 2015 **IT**

QUESTION	YES	NO	N/A	REMARKS
• Investments				
• Inventories				
• Capital Assets				
• Long-term debt				
• Receipts/Revenues/Receivables				
• Taxes and Special Assessments				
• Disbursements/Expenditures/Payables				
• Payroll				
• Transfers				
• Budgets				
• Working Trial Balances and Adjusting Journal Entries				
• Financial Reporting				
• Other (specify)				
B. Segregation of Duties				
1. Do users control who can perform various computer system functions, such as data entry, error correction or on-line edit and update?				
2. Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need. Obtain a user profile report which lists all users, their user ID's and any software applications to which they have access.				
3. Are user profiles reviewed periodically?				
4. Are background checks done for System Administrators? Background checks could involve contacting state or federal authorities to find out if a person has a criminal record.				
5. If the entity makes Electronic Funds Transfers (EFTs), are the personal bank account numbers of the employee making the EFTs restricted? (The System Administrator would set the entity's computer software to restrict the entry of the personal bank account numbers of the employee making the EFTs.)				
6. If the entity utilizes an Information Technology (IT) department with programmers developing software for the entity, is there a written policy the software developed by the programmers is the property of the entity?				
7. If the entity utilizes an IT department, are the following functions segregated WITHIN the IT department when an IT programmer would be writing the software programming:				
a. System design?				
b. Application programming?				
c. Systems programming (operating system/utilities)?				
d. Quality assurance/testing?				

ENTITY **Sample Entity**

June 30, 2015 **IT**

QUESTION	YES	NO	N/A	REMARKS
e. Approval of changes?				
f. Movement of changes into production?				
g. Computer operations/data input?				
8. If the entity utilizes an IT department, are the following functions performed only OUTSIDE the IT department:				
a. Initiation of transactions?				
b. Authorization of transactions?				
c. Preparation of source documents?				
d. Custody of assets?				
e. Changes to master files?				
f. Error correction?				
9. If the entity purchases software from a vendor, are the following functions performed only by the entity (no IT department):				
a. Placing programs into production (loading the programs into the entity's computer system)?				
b. Initiation of transactions?				
c. Authorization of transactions?				
d. Preparation of source documents?				
e. Custody of assets?				
f. Changes to master files?				
g. Error correction?				
C. Procedural Controls				
1. Are employees trained to challenge an unknown person using computer terminals or PC's?				
2. Is there a time out and/or log off function which will protect a terminal if left unattended? If no, does the entity have a written policy for logging off unattended terminals?				
3. If the above procedure is not done, do entity policies require the use of screen saver passwords to protect a terminal if left unattended?				
4. Determine the procedures for computer logins and passwords as follows:				
a. Does a login name and a password uniquely identify users when they sign on to the system (e.g., no group users IDs)?				
b. Are the procedures for setting up new user/login ID names restricted to one person? Document who can authorize access. (System Administrator)				
c. Are employee login identification numbers (IDs) removed immediately when their employment terminates?				

ENTITY **Sample Entity**

June 30, 2015 **IT**

QUESTION	YES	NO	N/A	REMARKS
d. Is login access given to consultants removed when their work is completed?				
e. When an employee's job duties change, is the login access changed so they have access only to the information needed for their current job duties?				
f. Are policies and procedures established to ensure when passwords need resetting:				
• Only an authorized employee can request a password be reset?				
• An employee cannot request another employee's password be reset and then gain access?				
g. Does the entity have a written policy instructing employees on their responsibilities to maintain password privacy and confidentiality, including sharing their password with the employee's supervisor?				
h. Are employee passwords not shared with others, including the employee's supervisor?				
i. Are passwords changed at least every 60 to 90 days?				
j. Does the software force the user to change their password after every 60 to 90 days? (Recommended the software force the user to change their password.)				
k. Is the password length set at a minimum of at least 8 characters? (The more characters in a password the more difficult it is for someone else to determine the password. Strong passwords will make it more difficult for password cracking tools to break a password.)				
l. Are the characters allowed to be used in a password set to all characters on the keyboard? (The System Administrator would set the characters that could be used for a password.)				
m. Are generic passwords used for new employees required to be changed? (Recommend to be changed in at least 30 days.)				
n. Is password history used to prevent someone from using the same password?				
o. If an employee incorrectly enters their password three times in a row, does the computer system deny them access to the computer system until reset by the System Administrator?				
5. System backup procedures:				
a. Are backups created and saved for each of the following: (A common practice would be to have seven days of backup tapes, which would be rotated and reused. The oldest tape would be used to backup today's activities. At the end of each week, another series of tapes would backup each week (four tapes for the month) until the				

ENTITY **Sample Entity**

June 30, 2015 **IT**

QUESTION	YES	NO	N/A	REMARKS
month end backup. There should be monthly backups for the last twelve months. Those tapes would be rotated with the next fiscal year with the oldest tape used for the current month end backup. The fiscal year backup should also be saved.)				
• Daily?				
• Weekly?				
• Monthly?				
• Yearly?				
b. Are all backup tapes stored in a secured off-site location? Recommend backup tapes be stored in a fireproof vault or safe.				
c. Are all backup tapes stored off-site daily?				
d. Are copies of network and financial software stored off-site as well?				
e. Are critical files which reside on a LAN (Local Area Network) backed up?				
f. Are critical files which reside on a stand-alone PC (not on a LAN) required to be backed up to the LAN?				
6. Is the computer system capable of remote data communications (i.e. dial-in-remote access/VPN (Virtual Private Network))? If yes, are there appropriate controls?				
D. Physical Access				
1. Do hardware controls include:				
a. Suitable physical environment, as follows:				
• Temperature and humidity control?				
• Sufficient power?				
• UPS (Uninterrupted Power Supply)?				
• Surge protection?				
• Protection from water sources (potential water pipe breaks)?				
b. Does the entity have adequate fire protection, as follows:				
• Fire extinguishers?				
• Fire alarms?				
• Smoke detectors?				
• Halon gas or other non-water based fire suppression system?				
• Water sensor devices?				
c. Are annual inspections of fire extinguishers performed?				

ENTITY **Sample Entity**

June 30, 2015 **IT**

QUESTION	YES	NO	N/A	REMARKS
d. If power is interrupted, does the entity have an alternative power source?				
2. Are there policies and procedures which restrict physical access to computer facilities to authorized personnel?				
3. Are PC systems with hard disks in areas where they are accessible to the public controlled/monitored when left unattended?				
4. Are terminals for public use restricted to read access only?				
5. Is there adequate security over computer output to ensure only intended users of data are receiving data? (This would include terminals restricted for public use.)				
6. Have procedures been established to ensure proper disposal of sensitive media (e.g. shredding of printouts, complete removal of data and software from hard disks, diskettes and magnetic tapes)?				
E. If the entity utilizes an IT department to write its IN-HOUSE software, are these procedures established for Systems Development and Software Program Change Control:				
1. Is there a uniform systems development policy, including acceptance testing, that is followed for all new programs?				
2. Is a uniform systems change policy, including acceptance testing, followed for all changes to existing programs?				
3. Are procedures in place to control "emergency fixes" to a production program?				
4. Are there controls ensuring superseded programs are segregated from the current version and removed from the production library?				
5. Do IT policies and procedures require up-to-date documentation for each application, as follows:				
a. System flowchart?				
b. Record and report layouts?				
c. Program source code?				
d. Operator and user instructions?				
e. Program change sheets?				
6. Do systems development policies require the active participation of users in important phases of development or change, including final approval?				

ENTITY **Sample Entity**

June 30, 2015 **IT**

QUESTION	YES	NO	N/A	REMARKS
F. If the entity purchases software from a VENDOR, are procedures established for acceptance of software:				
1. Is a uniform policy, including acceptance testing, followed for all new/upgraded programs?				
2. Do IT policies and procedures require the following, up-to-date documentation for each application:				
a. Record and report layouts?				
b. Operator and user instructions?				
3. Do systems development policies require the active participation of users in important phases of acquisition, including final approval regarding selection of vendor software?				
G. Personal Computers (PC's) and Local Area Networks (LAN's)				
1. Anti-Virus Programs:				
a. Is the entity using an anti-virus program on its PC's?				
b. Does the entity have a policy and procedure for employees to run the anti-virus program on a regular basis?				
c. Are regular updates obtained from the software vendor for new virus definitions? Anti-virus software needs to be updated to identify new viruses. Updates can usually be obtained from the software vendor's Internet web site.				
d. How frequently are virus definitions obtained? (Ideally, virus definitions should be updated on a live basis.)				
e. Are employees instructed to scan diskettes and upgrade diskettes for programs before loading on to the system?				
f. Are employees instructed to scan downloaded files from bulletin boards and the Internet before opening or uncompressing (unzipping) the files? Certain files may be compressed (zipped) so they download faster.				
g. Does the entity maintain a security awareness program, including precautions that should be taken with e-mail?				
2. Are there policies to ensure software not licensed to the entity is not installed on a PC? (e.g. software installed and owned by an employee)				
3. Is the entity monitoring software-licensing requirements to determine if it is in compliance? Entities should read and understand the software licensing requirements for purchased software so they are not illegally copying software.				

ENTITY **Sample Entity**

June 30, 2015 **IT**

QUESTION	YES	NO	N/A	REMARKS
4. If the entity has an Internet service provider:				
a. Is there a written policy on the usage of the Internet?				
b. Is the anti-virus program run for downloaded files?				
5. If the entity has an Internet web page:				
a. Does the entity or the Internet service provider have a firewall established? A firewall could prevent a person who accesses the web page from gaining access to the entity's computer system.				
b. If the entity is doing electronic business through its web page, have adequate safeguards been established?				
H. Contingency Planning (Disaster Recovery Controls)				
1. Is there a written disaster recovery plan?				
2. Has the plan been approved by management?				
3. Determine if the disaster recovery plan includes the following:				
a. Identification of critical applications.				
b. Identification of staff responsibilities.				
c. Identification of steps for recovery of the system.				
d. Identification of computer equipment needed for temporary processing.				
e. Identification of business location(s) which could be used to process critical applications in the event of an emergency. Is there a written agreement?				
f. Requirement a copy of the disaster recovery plan be kept off site.				
g. Requirement to keep system backups current and off site.				
h. Inventory of all hardware and components (e.g.: make, model numbers, serial numbers, etc.).				
i. Inventory of all software applications (e.g.: operating system and software applications, release versions and vendor names).				
j. Requirement copies of all user documentation and policy and procedures manuals be located off site.				
k. Requirement extra stocks of paper supplies, such as checks, warrants, purchase orders, etc., be located off site.				
l. A determination of whether the disaster recovery plan is adequately tested.				
m. Has a copy been provided to all appropriate personnel?				

ENTITY **Sample Entity**

June 30, 2015 **IT**

QUESTION	YES	NO	N/A	REMARKS
4. Are all employees trained for appropriate responses to emergency situations?				
5. Does the record retention policy require records be retained for at least as long as they are needed to meet operational and legal requirements?				

ENTITY **Sample Entity**

June 30, 2015 **IT**

ACCOUNT BALANCE/ TRANSACTION CLASS	Extent of computer processing of transactions	Complexity of system	Sufficient appropriate non-electronic audit evidence*		
			Initiation	Processing	Recording/ Reporting
Cash					
Investments					
Receivables					
Inventory					
Capital Assets					
Liabilities					
Long-Term Debt					
Property Tax					
Receipts/Revenues					
Disbursements/ Expenditures					
Payroll					
Transfers					
Financial Reporting					
Other:					

Extent of Computer Processing – key
E = extensive, M = moderate, L = limited

Complexity of System – key
C = complex, A = average, S = simple

ENTITY **Sample Entity**

June 30, 2015 **IT**

Describe the organizational structure of the computer processing activities.

* - (AU 500.07) The auditor should consider the relevance and reliability of the information to be used as audit evidence. When audit evidence is obtained from independent sources or through the auditor's direct personal knowledge, it provides greater assurance of reliability. Examples are direct bank confirmations, reperformance of apportionment tests, observation of inventory, etc.

ENTITY **Sample Entity**

June 30, 2015 **IT**

Briefly summarize how the design of the computer system control process was identified.

Briefly summarize how the controls were determined to be implemented.

Summary of Internal Control Weaknesses and Areas of Potential Misstatement.

ENTITY **Sample Entity**

June 30, 2015 **IT**

Identify any systems that initiate, authorize, record, process or report financial data in only electronic form. When evidence of any entity's initiation, authorization, recording, processing or reporting of financial data exists only in electronic form, the auditor may determine it is not possible to design effective substantive procedures which, by themselves, provide sufficient appropriate audit evidence the relevant classes of transactions or account balances are not materially misstated. In such cases, audit evidence may be available only in electronic form, and its appropriateness and sufficiency usually depend on the effectiveness of controls over its accuracy and completeness. (AU 315.31)

System	Account Balance/ Class of Transactions	Only Electronic Evidence Exists			Test of Controls Yes/No
		Initiation	Processing	Recording/ Reporting	

If yes, identify the general and application controls to be tested and develop an ICQ which addresses these areas. Note: Only test those general/application controls which pertain to the financial statement assertions affected by the above.

If no, document the audit evidence/procedures that will be performed to obtain an acceptable level of detection risk. Any procedure identified should be included under the approach to substantive tests for the applicable transaction classes.

ENTITY **Sample Entity**

June 30, 2015 **IT**

ACCOUNT BALANCE/TRANSACTION CLASS: IT

Relevant General/Application Controls	Financial Statement Assertions					Tests of Controls **
Account Balance:	Exist.	Compl.	Rights/ Oblig.	Value/ Alloc.		
Classes of Transactions:	Occur.	Compl.	Accur.	Cutoff	Class.	
Presentation and Disclosure:	Occur/ Rights & Oblig	Compl.	Class.& Understand.	Accur. & Value.		

FINAL RISK ASSESSMENT

Data/Reliability Risk *						

* Maximum, slightly below maximum, moderate or low

** If deviations are noted, the auditor should make inquiries to understand the consequences of the deviation(s) and determine whether the test of controls can be relied upon and whether additional tests are necessary.

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
CASH

QUESTION	YES	NO	N/A	REMARKS
PETTY CASH/CHANGE FUNDS				
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)?				
C. Custody				
1. Are petty cash and/or change funds properly safeguarded?				

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
CASH

QUESTION	YES	NO	N/A	REMARKS
CASH IN BANK				
A. Segregation of Duties				
1. Are responsibilities for preparing bank account reconciliations segregated from other cash receipt or disbursement functions?				
2. Are bank accounts reconciled by an employee who does not sign checks, handle or record cash?				
3. Are reconciliations reviewed and approved by a person who is not responsible for receipts and disbursements?				
4. Does the entity use computer software to account for cash or fund balances?				
a. Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need. Identify those with access.				
b. Does an independent person approve electronic fund transfers for cash?				
B. Procedural Controls				
1. Are all bank accounts and check signatures properly authorized?				
2. Are bank statements and redeemed checks delivered in unopened envelopes directly to the employee preparing the reconciliation?				
3. In the reconciliation process:				
a. Are checks compared in appropriate detail with disbursement records?				
b. Is there scrutiny of signatures and endorsements on checks, at least on a test basis, to determine forgeries, alterations or improper endorsement?				
c. Is the numerical sequence of checks used accounted for?				
d. Is there evidence of review of the reconciliation process?				
e. Are reconciling items properly documented?				
f. Are variances investigated and appropriately resolved?				
4. Are checks outstanding for a considerable time periodically reviewed for propriety?				
5. Do procedures provide for immediate bank notification when an authorized signer of checks changes duties or resigns?				

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
CASH

QUESTION	YES	NO	N/A	REMARKS
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?				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ACTIVITIES**

Account Balance: Cash

Briefly summarize how the design of the internal control activities was identified.

Briefly summarize how the internal control activities were determined to be implemented.

Summary of Internal Control Weaknesses and Areas of Potential Misstatement:	Financial Statement Assertions				
	Exist	Compl.	Rights/ Oblig.	Value/ Alloc.	Ref. to GF-12.

Planned assessment of control risk: (Consider results of IT controls, if applicable)

Approach to Test of Controls:

Approach to Substantive Tests: What audit procedures are planned to achieve audit objectives and low audit risk considering the nature, timing and extent of procedures?

ENTITY **Sample Entity**

June 30, 2015 **CONTROL RISK ASSESSMENT**

ACCOUNT BALANCE: Cash

	Financial Statement Assertions				
Relevant Internal Control Activities	Exist	Compl.	Rights/ Oblig.	Value/ Alloc.	Tests of Controls**

FINAL RISK ASSESSMENT

Inherent Risk Assessment (Higher, Moderate or Lower)					
Initial Assessment of Control Risk *					
Tests of Controls (W/P Ref.)					
Final Assessment of Control Risk *					

* Maximum, slightly below maximum, moderate or low

** If deviations are noted, the auditor should make inquiries to understand the consequences of the deviation(s) and determine whether the test of controls can be relied upon, whether additional tests are necessary and whether the risk of material misstatement needs to be addressed through substantive procedures.

Did control or fraud risk change based on the tests of controls or other procedures? ____Yes ____No

If yes, describe the effect on substantive testing.

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
INVESTMENTS

QUESTION	YES	NO	N/A	REMARKS
A. Segregation of Duties				
1. Is the person responsible for the detailed record keeping of investments independent of the custodian(s)?				
2. Is there proper segregation and accounting control of securities held for others as collateral, for safekeeping or for other purposes?				
3. Do employees having no responsibility for custody of investments or record keeping:				
a. Periodically inspect the investments?				
b. Confirm those held by outsiders?				
c. Reconcile documents to the investment records?				
d. Verify recorded investment earnings to determine the accuracy thereof?				
e. Reconcile earnings with published financial records of payments?				
4. Is more than one person required to be present during inspection of investments?				
5. For investments in government securities, does the investment officer appear to understand the types of securities owned?				
6. Does the entity use computer software to account for investments?				
a. Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need? Identify those with access.				
b. Does an independent person approve electronic fund transfers for investments?				
B. Procedural Controls				
1. Are changes in the type of investment in the investment portfolio approved in accordance with the investment policy?				
2. Are investments purchased and sold only on proper authorization?				
3. Are brokers' advices and other original papers evidencing purchase and sale of securities properly filed and retained?				
4. Are persons having access to investments adequately bonded?				
5. Are investment documents registered in the name of the entity?				

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
INVESTMENTS

QUESTION	YES	NO	N/A	REMARKS
6. Is an accounting record/register maintained for each investment, including cost, description, date purchased, interest rate, maturity date and identifying number?				
7. Are investments which have been approved for write-off properly authorized and recorded in a separate ledger and periodically reviewed as to possibility of recoveries?				
8. Is a record of investment income maintained?				
9. Are accruals properly recorded when investment income is earned?				
10. Are investments received as gifts recorded at fair market value (or appraised value) at date of gift?				
11. If current market value (or fair value) is used to value investments, is this basis applied consistently for all investments in all funds?				
C. Custody				
1. Is an independent safekeeping agent utilized?				
2. Are all investment documents under the control of a responsible official as custodian?				
3. Are investment documents kept in a safe deposit box or vault?				
4. Is a record maintained of all investments placed in or removed from the box or vault?				
5. Are investments in government securities received by the entity or held by an independent party designated by the entity?				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ACTIVITIES**

Account Balance: Investments

Briefly summarize how the design of the internal control activities was identified.

Briefly summarize how the internal control activities were determined to be implemented.

Summary of Internal Control Weaknesses and Areas of Potential Misstatement:	Financial Statement Assertions				
	Exist	Compl.	Rights/ Oblig.	Value/ Alloc.	Ref. to GF-12.

Planned assessment of control risk: (Consider results of IT controls, if applicable)

Approach to Test of Controls:

Approach to Substantive Tests: What audit procedures are planned to achieve audit objectives and low audit risk considering the nature, timing and extent of procedures?

ENTITY **Sample Entity**

June 30, 2015 **CONTROL RISK ASSESSMENT**

ACCOUNT BALANCE: Investments

	Financial Statement Assertions				
Relevant Internal Control Activities	Exist	Compl.	Rights/ Oblig.	Value/ Alloc.	Tests of Controls**

FINAL RISK ASSESSMENT

Inherent Risk Assessment (Higher, Moderate or Lower)					
Initial Assessment of Control Risk *					
Tests of Controls (W/P Ref.)					
Final Assessment of Control Risk *					

* Maximum, slightly below maximum, moderate or low

** If deviations are noted, the auditor should make inquiries to understand the consequences of the deviation(s) and determine whether the test of controls can be relied upon, whether additional tests are necessary and whether the risk of material misstatement needs to be addressed through substantive procedures.

Did control or fraud risk change based on the tests of controls or other procedures? ____Yes ____No

If yes, describe the effect on substantive testing.

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
INVENTORIES

QUESTION	YES	NO	N/A	REMARKS
A. Segregation of Duties				
1. Is there segregation of duties between persons who handle the inventories and those:				
a. Handling inventory records?				
b. Recording purchases?				
2. Are receiving, issuing, accounting and storing responsibilities properly segregated?				
3. Are inventory counts verified by persons independent of those in charge of the inventory records?				
4. Is there physical segregation and proper accounting control of merchandise on hand that is not the property of the entity?				
5. Does the entity use computer software to account for perpetual inventory balances?				
a. Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need? Identify those with access.				
B. Procedural Controls				
1. Is a central storeroom/facility/location/and receiving station maintained?				
2. Are materials released from the storeroom only on receipt of approved requisitions?				
3. Are all incoming shipments, including returns, handled by a central receiving department?				
4. Are purchases made by requisition/purchase order only?				
5. Is a record kept of keys to storerooms, storage areas, etc.?				
6. Are pre-numbered receiving reports used and copies forwarded to the accounting department?				
7. Are issuing and billing procedures designed and correlated to ensure the billing of all items sold?				
8. Is there proper cutoff of inventory receipts and issues during inventory counts?				
9. After the inventory is counted, are the count tags, sheets, etc., properly controlled?				
10. Are responsible officials advised of significant inventory discrepancies?				
11. Are perpetual records adjusted for discrepancies?				
12. Are obsolete, damaged, and slow-moving items reported to a responsible person?				

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
INVENTORIES

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?				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ACTIVITIES**

Account Balance: Inventories

Briefly summarize how the design of the internal control activities was identified.

Briefly summarize how the internal control activities were determined to be implemented.

Summary of Internal Control Weaknesses and Areas of Potential Misstatement:	Financial Statement Assertions				
	Exist	Compl.	Rights/ Oblig.	Value/ Alloc.	Ref. to GF-12.

Planned assessment of control risk: (Consider results of IT controls, if applicable)

Approach to Test of Controls:

Approach to Substantive Tests: What audit procedures are planned to achieve audit objectives and low audit risk considering the nature, timing and extent of procedures?

ENTITY **Sample Entity**

June 30, 2015 **CONTROL RISK ASSESSMENT**

ACCOUNT BALANCE: Inventories

	Financial Statement Assertions				
Relevant Internal Control Activities	Exist	Compl.	Rights/ Oblig.	Value/ Alloc.	Tests of Controls**

FINAL RISK ASSESSMENT

Inherent Risk Assessment (Higher, Moderate or Lower)					
Initial Assessment of Control Risk *					
Tests of Controls (W/P Ref.)					
Final Assessment of Control Risk *					

* Maximum, slightly below maximum, moderate or low

** If deviations are noted, the auditor should make inquiries to understand the consequences of the deviation(s) and determine whether the test of controls can be relied upon, whether additional tests are necessary and whether the risk of material misstatement needs to be addressed through substantive procedures.

Did control or fraud risk change based on the tests of controls or other procedures? ____Yes ____No

If yes, describe the effect on substantive testing.

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
CAPITAL ASSETS

QUESTION	YES	NO	N/A	REMARKS
A. Segregation of Duties				
1. Is there segregation of duties between purchasing functions, recording functions, reconciling functions and custody?				
2. Are capital assets tested periodically by an individual having no responsibility for the assets?				
3. Does the entity use computer software to account for capital asset additions, deletions, balances and depreciation?				
a. Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need. Identify those with access.				
b. If the computer does calculations for depreciation, are they reviewed to ensure accuracy?				
B. Procedural Controls				
1. Are capital expenditures authorized by appropriate officials and the governing body?				
2. Are deeds and titles:				
a. properly prepared?				
b. legally recorded?				
c. properly safeguarded?				
3. Are equipment acquisitions originated by approved requisitions that show:				
a. Item description?				
b. Estimated cost?				
c. Justification?				
d. Accounts to be charged?				
4. Are actual expenditures later compared with the authorized estimates?				
5. Does the sale, transfer, scrapping or dismantling of equipment require written approval?				
6. Does the accounting department receive a copy of each authorization for equipment transactions?				
7. Are capital assets recorded at cost or, for assets acquired by gift, at fair market value at the date of gift? (If not, indicate basis of valuation.)				
8. Is there a policy for differentiating between expenditures to be capitalized and those to be expensed?				

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
CAPITAL ASSETS

QUESTION	YES	NO	N/A	REMARKS
9. Is identifying information:				
a. Promptly placed on the equipment?				
b. Difficult to remove?				
c. Removed from equipment prior to disposal?				
10. Are detailed records of equipment maintained?				
11. Are the detailed records for equipment promptly adjusted when equipment is disposed of or transferred?				
12. Are adequate records maintained of property under the control or custody of, but not owned by, the entity?				
13. Are releases from accountability properly handled for transfers of equipment?				
14. Are there adequate procedures for receiving and recording donated equipment?				
15. Is acceptance of the donated asset reflected in the governing body's minutes?				
16. Is a physical inventory taken periodically (at least annually) and reconciled to detailed capital asset records?				
17. When assets are to be depreciated:				
a. Is the depreciation policy consistent from year to year?				
b. Is depreciation fully funded?				
c. Are useful lives reasonable?				
d. Are depreciation charges discontinued when an asset or group of assets becomes fully depreciated?				
e. Are records maintained of fully depreciated assets which are still in use?				
18. If the entity owns or leases vehicles:				
a. Are any vehicles considered entity "pool" vehicles?				
b. Are any vehicles permanently assigned to certain personnel?				
c. Are mileage logs maintained?				
d. Are miles accounted for and reconciled with detailed records?				
e. Are entity vehicles prohibited from being used for incidental personal purposes by entity personnel?				
f. Are entity vehicles prohibited from being used to commute to and from work?				
19. Is insurance coverage on property and equipment reviewed periodically for adequacy?				

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
CAPITAL ASSETS

QUESTION	YES	NO	N/A	REMARKS
C. Custody				
1. Are small tools properly safeguarded and kept in specific locations?				
2. Are individuals assigned responsibility for the capital assets they have custody of?				
3. Is physical access to assets limited when not in use? (i.e. locked rooms etc.)				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ACTIVITIES**

Account Balance/Transaction Class: Capital Assets/Depreciation

Briefly summarize how the design of the internal control activities was identified.

Briefly summarize how the internal control activities were determined to be implemented.

Summary of Internal Control Weaknesses and Areas of Potential Misstatement:	Financial Statement Assertions						
	Exist /Occur	Compl.	Rights& Oblig.	Value& Alloc./ Accur.	Cutoff	Class.	Ref. to GF-12.

Planned assessment of control risk: (Consider the results of IT controls, if applicable)

Approach to Test of Controls:

Approach to Substantive Tests: What audit procedures are planned to achieve audit objectives and low audit risk considering the nature, timing and extent of procedures?

ENTITY **Sample Entity**

June 30, 2015 **CONTROL RISK ASSESSMENT**

ACCOUNT BALANCE/TRANSACTION CLASS: Capital Assets/Depreciation

	Financial Statement Assertions						
Relevant Internal Control Activities	Exist/ Occur	Compl.	Rights& Oblig.	Value& Alloc./ Accur.	Cutoff	Class.	Tests of Controls**

FINAL RISK ASSESSMENT

Inherent Risk Assessment (Higher, Moderate or Lower)							
Initial Assessment of Control Risk *							
Tests of Controls (W/P Ref.)							
Final Assessment of Control Risk *							

* Maximum, slightly below maximum, moderate or low

** If deviations are noted, the auditor should make inquiries to understand the consequences of the deviation(s) and determine whether the test of controls can be relied upon, whether additional tests are necessary and whether the risk of material misstatement needs to be addressed through substantive procedures.

Did control or fraud risk change based on the tests of controls or other procedures? ____Yes ____No

If yes, describe the effect on substantive testing.

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
LONG-TERM DEBT

QUESTION	YES	NO	N/A	REMARKS
A. Segregation of Duties				
1. Is the function of maintaining bond and other long-term debt records independent of any cash functions?				
2. Are paid bonds and coupons reconciled to bond records by an independent person?				
3. Does the entity use computer software to account for long-term debt balances?				
a. Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need. Identify those with access.				
b. Does an independent person approve electronic fund transfers for long term debt?				
B. Procedural Controls				
1. Has the entity established procedures to ensure that bonds and other long-term debt are properly authorized in accordance with applicable legal requirements?				
2. Are detailed records reconciled to general ledger controls periodically?				
3. Are bonds and other evidences of indebtedness executed only in the entity's name?				
4. Does a responsible official periodically determine whether the entity is in compliance with agreement restrictions and report results to a higher authority?				
5. If paying agents are used for the payment of bonds and interest, does the entity receive periodic reports of bonds outstanding and unclaimed interest?				
6. Does a responsible official review use of proceeds from bond sales to ensure that proceeds are used in accordance with legal requirements?				
7. Are accounting records and procedures designed to meet the requirements of bond resolutions?				
8. Is a bond register maintained?				
9. Is a separate fund maintained for each bond issue, if required?				
10. Does a responsible official review lease agreements in effect to identify and properly account for lease purchase transactions?				
11. Are records for compensated absences maintained and kept current?				
12. Are records of compensated absence records periodically reviewed by an independent person?				

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
LONG-TERM DEBT

QUESTION	YES	NO	N/A	REMARKS
C. Custody				
1. Are redeemed bond and interest coupons accounted for, canceled on payment and retained in compliance with applicable legal requirements?				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ACTIVITIES**

Account Balance: Long-Term Debt

Briefly summarize how the design of the internal control activities was identified.

Briefly summarize how the internal control activities were determined to be implemented.

Summary of Internal Control Weaknesses and Areas of Potential Misstatement:	Financial Statement Assertions				
	Exist	Compl.	Rights/ Oblig.	Value/ Alloc.	Ref. to GF-12.

Planned assessment of control risk: (Consider results of IT controls, if applicable)

Approach to Test of Controls:

Approach to Substantive Tests: What audit procedures are planned to achieve audit objectives and low audit risk considering the nature, timing and extent of procedures?

ENTITY **Sample Entity**

June 30, 2015 **CONTROL RISK ASSESSMENT**

ACCOUNT BALANCE: Long-Term Debt

	Financial Statement Assertions				
Relevant Internal Control Activities	Exist	Compl.	Rights/ Oblig.	Value/ Alloc.	Tests of Controls**

FINAL RISK ASSESSMENT

Inherent Risk Assessment (Higher, Moderate or Lower)					
Initial Assessment of Control Risk *					
Tests of Controls (W/P Ref.)					
Final Assessment of Control Risk *					

* Maximum, slightly below maximum, moderate or low

** If deviations are noted, the auditor should make inquiries to understand the consequences of the deviation(s) and determine whether the test of controls can be relied upon, whether additional tests are necessary and whether the risk of material misstatement needs to be addressed through substantive procedures.

Did control or fraud risk change based on the tests of controls or other procedures? ____Yes ____No

If yes, describe the effect on substantive testing.

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
RECEIPTS/REVENUES/RECEIVABLES/DEFERRED OUTFLOWS

QUESTION	YES	NO	N/A	REMARKS
A. Segregation of Duties				
1. Are responsibilities for collection, deposit preparation and reconciliation functions segregated from those for recording and accounting of cash receipts?				
2. Is mail opened and distributed by some person other than accounting personnel?				
3. Are the responsibilities for maintaining detail accounts receivable records segregated from collections and records postings?				
4. Does the entity use computer software to account for receipts/revenues/receivables?				
a. Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need? Identify those with access.				
b. Are there procedures established for the recording of receipts on electronic fund transfers?				
c. Are rates entered into the computer for calculation of receivables (e.g. utility rates)? This may include new or updated rates.				
1) Is an independent person entering the rates on the computer?				
2) Are the rates tested to ensure that the proper calculations are being made?				
3) Is the testing of the new/updated rates saved?				
4) Are the rates entered reviewed and approved? Who reviews and approves?				
B. Procedural Controls				
1. Is a list of receipts prepared by the mail opener?				
2. Are receipts given directly by the mail opener to accounting personnel responsible for deposit preparation?				
3. Is an independent reconciliation of recorded receipts to the initial listing performed?				
4. Are receipts deposited intact and timely?				
5. Are all checks payable to the entity deposited?				
6. Is a restrictive endorsement placed on each incoming check upon receipt?				
7. Are receipts controlled by use of pre-printed, pre-numbered licenses, receipts, validation and/or cash register?				
8. Are the numerical sequences monitored?				
9. Are voided receipts properly mutilated and retained?				

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
RECEIPTS/REVENUES/RECEIVABLES/DEFERRED OUTFLOWS

QUESTION	YES	NO	N/A	REMARKS
10. Is effective control provided over miscellaneous or unusual receipts?				
11. Do procedures exist to reconcile amounts collected to records of billings/remittances?				
12. Do procedures exist for:				
a. Independent review of the coding of the receipt to the appropriate account, fund, program and/or activity?				
b. Independent review of the coding to the proper fiscal year?				
13. Do controls exist over miscellaneous receipts?				
14. Are grant revenues processed under the same degree of controls applicable to the entity's other transactions?				
15. Do reasonable procedures and controls exist to provide assurance of compliance with grant requirements?				
16. Is a record maintained of amounts due but unpaid?				
17. Is an aging of receivables prepared and periodically reviewed for delinquent receivables?				
18. Is a reconciliation between the general ledger and subsidiary ledgers prepared?				
19. If so, are the material variances investigated and resolved?				
C. Custody				
1. Do facilities exist for protecting undeposited cash receipts?				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ACTIVITIES**

Transaction Class/Account Balance: Receipts/Revenues/Receivables/Deferred Outflows

Briefly summarize how the design of the internal control activities was identified.

Briefly summarize how the internal control activities were determined to be implemented.

Summary of Internal Control Weaknesses and Areas of Potential Misstatement:	Financial Statement Assertions						
	Exist/ Occur	Compl.	Rights & Oblig.	Value & Alloc./Accur.	Cutoff	Class.	Ref. to GF-12.

Planned assessment of control risk: (Consider results of IT controls, if applicable)

Approach to Test of Controls:

Approach to Substantive Tests: What audit procedures are planned to achieve audit objectives and low audit risk considering the nature, timing and extent of procedures?

ENTITY **Sample Entity**

June 30, 2015 **CONTROL RISK ASSESSMENT**

TRANSACTION CLASS/ACCOUNT BALANCE: Receipts/Revenues/Receivables/Deferred Outflows

	Financial Statement Assertions						
Relevant Internal Control Activities	Exist/ Occur	Compl.	Rights & Oblig.	Value & Alloc./ Accur.	Cutoff	Class.	Tests of Controls**

FINAL RISK ASSESSMENT

Inherent Risk Assessment (Higher, Moderate or Lower)							
Initial Assessment of Control Risk *							
Tests of Controls (W/P Ref.)							
Final Assessment of Control Risk *							

* Maximum, slightly below maximum, moderate or low

** If deviations are noted, the auditor should make inquiries to understand the consequences of the deviation(s) and determine whether the test of controls can be relied upon, whether additional tests are necessary and whether the risk of material misstatement needs to be addressed through substantive procedures.

Did control or fraud risk change based on the tests of controls or other procedures? ____Yes ____No

If yes, describe the effect on substantive testing.

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
TAXES AND SPECIAL ASSESSMENTS

QUESTION	YES	NO	N/A	REMARKS
COUNTY				
A. Segregation of Duties				
1. Does the Treasurer's office reconcile collections by tax district with the Auditor's abstract at year-end?				
2. Is the person who prepares a summary of delinquent collections independent from person who performs a reconciliation of delinquencies at year-end?				
3. Does the entity use computer software to account for taxes and special assessments?				
a. Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need. Identify those with access.				
b. Are rates entered into the computer for calculation of receivables (e.g. tax levy rates, interest calculations for special assessments, etc.)? This may include new or updated rates.				
1) Is an independent person entering the rates on the computer?				
2) Are the rates tested to ensure that the proper calculations are being made?				
3) Is the testing of the new/updated rates saved?				
4) Are the rates entered reviewed and approved? Who reviews and approves?				
B. Procedural Controls				
1. Are there procedures to properly carry forward current and prior year delinquencies to the following year's tax list?				
2. Are adequate records maintained to ensure all collections are properly apportioned monthly:				
a. Current tax?				
b. Delinquent tax?				
c. Mobile home tax?				
C. Custody				
1. Are the following properly retained to support credits in the certified tax list and changes to the certified tax list:				
a. Auditor's certificates of adjustment?				
b. Suspended tax orders?				
c. Elderly credit claims?				

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
TAXES AND SPECIAL ASSESSMENTS

QUESTION	YES	NO	N/A	REMARKS
d. Agland credit claims?				
e. Homestead credit applications?				
f. Family farm credit applications?				
OTHER				
A. Segregation of Duties				
1. Does the entity record the taxes and special assessments direct deposited by the county in the same manner as other receipts?				
2. Does the entity use computer software to account for taxes and special assessments?				
a. Determine/verify access to programs and functions within programs is limited to those who have a legitimate need. Identify those with access.				
B. Procedural Controls				
1. Are there procedures to reconcile total amounts deposited with tax and special assessments remitted?				
2. Are adequate records maintained to ensure all collections are properly posted to the correct funds and accounts?				
C. Custody				
1. Is documentation properly retained to support postings to the entity's receipt journals for:				
a. County Treasurer tax orders?				
b. County Treasurer special assessments remitted?				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ACTIVITIES**

Transaction Class: Taxes and Special Assessments

Briefly summarize how the design of the internal control activities was identified.

Briefly summarize how the internal control activities were determined to be implemented.

Summary of Internal Control Weaknesses and Areas of Potential Misstatement:	Financial Statement Assertions					
	Occur	Compl.	Accur.	Cutoff	Class.	Ref. to GF-12.

Planned assessment of control risk: (Consider results of IT controls, if applicable)

Approach to Test of Controls:

Approach to Substantive Tests: What audit procedures are planned to achieve audit objectives and low audit risk considering the nature, timing and extent of procedures?

ENTITY **Sample Entity**

June 30, 2015 **CONTROL RISK ASSESSMENT**

TRANSACTION CLASS: Taxes and Special Assessments

	Financial Statement Assertions					
Relevant Internal Control Activities	Occur	Compl.	Accur.	Cutoff	Class.	Tests of Controls**

FINAL RISK ASSESSMENT

Inherent Risk Assessment (Higher, Moderate or Lower)						
Initial Assessment of Control Risk *						
Tests of Controls (W/P Ref.)						
Final Assessment of Control Risk *						

* Maximum, slightly below maximum, moderate or low

** If deviations are noted, the auditor should make inquiries to understand the consequences of the deviation(s) and determine whether the test of controls can be relied upon, whether additional tests are necessary and whether the risk of material misstatement needs to be addressed through substantive procedures.

Did control or fraud risk change based on the tests of controls or other procedures? ____Yes ____No

If yes, describe the effect on substantive testing.

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES

DISBURSEMENTS/EXPENDITURES/PAYABLES/DEFERRED INFLOWS

QUESTION	YES	NO	N/A	REMARKS
A. Segregation of Duties				
1. Are responsibilities for the disbursement/expenditure approval function segregated from those for the voucher preparation and purchasing functions?				
2. Are responsibilities for disbursement/expenditure preparation and approval functions segregated from those for recording cash disbursements into ledgers?				
3. Is there adequate segregation of duties in connection with the following:				
a. Controlling blank purchase orders?				
b. Placing orders with vendors (including preparation of purchase order)?				
c. Receiving?				
d. Approving vouchers for payment?				
e. Processing approved vouchers?				
f. Disbursing?				
g. Purchases using a credit card?				
4. Are responsibilities for reconciling disbursements/ expenditures with the check/warrant register segregated from those preparing the vouchers?				
5. Is there adequate segregation of duties between the approval and payment functions as to:				
a. Approval of documents for payment?				
b. Check/warrant preparation?				
c. Check/warrant signing?				
d. Access to cash?				
e. Access to accounting records?				
f. Access to credit cards?				
6. Is final approval for payment made by a different individual than the check/warrant signer?				
7. Does the entity use computer software to account for disbursements/expenditures/payables?				
a. Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need. Identify those with access.				
b. Is the signature plate inserted into the printer and printed as the checks/warrants are printed? If this is done, are the checks/warrants and signatures printed in one operation?				

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
DISBURSEMENTS/EXPENDITURES/PAYABLES/DEFERRED INFLOWS

QUESTION	YES	NO	N/A	REMARKS
c. If the two operations are combined as described above, are review procedures of expenditures by supervisory personnel adequate?				
d. Does an independent person approve electronic fund transfers for expenditures?				
e. Does the entity have a paperless system for the payment of disbursements?				
B. Procedural Controls				
1. Are all disbursements/expenditures required to be supported by invoices or other documentation?				
2. Are claims for payment approved by a responsible person before they are submitted for payment?				
3. Is the authority for approval of travel vouchers established at all organizational levels?				
4. Are the entity officials' travel vouchers approved?				
5. Are invoices and supporting documents furnished to the voucher signer prior to approving the payment voucher?				
6. Is there evidence of the voucher approvals?				
7 Are credit card purchases made by authorized individuals?				
8. Are supporting documents for claims effectively canceled at the time of approving the payment to prevent their reuse?				
9. Is a purchase order system used?				
10. Are all purchase orders:				
a. Pre-numbered?				
b. Accounted for?				
c. Properly approved?				
11. Is competitive bidding used?				
12. Is there a designated centralized receiving area for incoming goods?				
13. Does processing of invoices for payment include:				
a. Comparison against purchase orders or other documents for term, prices and quantities?				
b. Comparison against receiving reports or other documents for items and quantities received?				
c. Mathematical check of footings, extensions and discounts?				
d. Reviewing the coding of the expenditure to the appropriate account, fund, program and/or activity?				

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
DISBURSEMENTS/EXPENDITURES/PAYABLES/DEFERRED INFLOWS

QUESTION	YES	NO	N/A	REMARKS
e. Confirming the proper fiscal year has been charged?				
14. Does the person reviewing the claims have sufficient knowledge of federal and state grant requirements, laws and regulations to determine cost allowability?				
15. Are all invoices received from vendors in a central location, such as the accounting department?				
16. Do procedures for leases ensure compliance with:				
a. Statutory purchasing regulations?				
b. Institutional rules and regulations?				
17. Are all disbursements made by check/warrant?				
18. Are only pre-printed, pre-numbered checks/warrants used and properly controlled?				
19. Are voided checks/warrants properly mutilated and held for inspection?				
20. Are checks/warrants protected against alteration?				
21. Are checks/warrants made payable to a specific payee?				
22. Is the advance signing of checks/warrants prohibited?				
23. Is there evidence of review of supporting documentation?				
24. Are dual signatures required?				
25. Are there dollar limits on:				
a. Single signature checks/warrants?				
b. Signatures mechanically affixed?				
26. If a mechanical check signer is used, are facsimile signature plates under proper control?				
27. Do procedures for travel reimbursement include identification and reporting of taxable meals in accordance with IRS rules?				
28. Do procedures require adequate scrutiny of related party transactions?				
C. Custody				
1. Are controls maintained over the supply of unused and voided checks/warrants?				
2. Are controls maintained over credit cards?				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ACTIVITIES**

Transaction Class/Account Balance: Disbursements/Expenditures/Payables/Deferred Inflows

Briefly summarize how the design of the internal control activities was identified.

Briefly summarize how the internal control activities were determined to be implemented.

Summary of Internal Control Weaknesses and Areas of Potential Misstatement:	Financial Statement Assertions						
	Exist/ Occur	Compl.	Rights & Oblig.	Value & Alloc./Accur.	Cutoff	Class.	Ref. to GF-12.

Planned assessment of control risk: (Consider results of IT controls, if applicable)

Approach to Test of Controls:

Approach to Substantive Tests: What audit procedures are planned to achieve audit objectives and low audit risk considering the nature, timing and extent of procedures?

ENTITY **Sample Entity**

June 30, 2015 **CONTROL RISK ASSESSMENT**

TRANSACTION CLASS/ACCOUNT BALANCE: Disbursements/Expenditures/Payables/Deferred Inflows

	Financial Statement Assertions						
Relevant Internal Control Activities	Exist/ Occur	Compl.	Rights & Oblig.	Value & Alloc./ Accur	Cutoff	Class.	Tests of Controls**

FINAL RISK ASSESSMENT

Inherent Risk Assessment (Higher, Moderate or Lower)							
Initial Assessment of Control Risk *							
Tests of Controls (W/P Ref.)							
Final Assessment of Control Risk *							

* Maximum, slightly below maximum, moderate or low

** If deviations are noted, the auditor should make inquiries to understand the consequences of the deviation(s) and determine whether the test of controls can be relied upon, whether additional tests are necessary and whether the risk of material misstatement needs to be addressed through substantive procedures.

Did control or fraud risk change based on the tests of controls or other procedures? ____Yes ____No

If yes, describe the effect on substantive testing.

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
PAYROLL

QUESTION	YES	NO	N/A	REMARKS
A. Segregation of Duties				
1. Is there adequate segregation of duties in connection with the following functions:				
a. recording sick leave and vacation?				
b. comparing time records to payroll?				
c. approving time records, vacations, and comp time?				
d. receiving and distributing payroll warrants?				
e. preparing and approving payroll input?				
f. custody of undistributed warrants?				
g. preparing payroll checks?				
2. Is there adequate segregation of personnel and payroll functions?				
3. Does the entity use computer software to account for payroll?				
a. Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need. Identify those with access.				
b. Are payroll rates entered into the computer for calculation of expenditures and payroll withholdings? Payroll rates would include salary/hourly pay rates, federal tax rates, state tax rates, FICA rates, IPERS rates, etc. This would include new or updated rates. If yes:				
1) Does an independent person enter the rates in the computer?				
2) Are the rates tested to ensure the proper calculations are being made?				
3) Is the testing of the new/updated rates saved?				
4) Are the rates entered reviewed and approved? Who reviews and approves?				
c. Does an independent person approve electronic fund transfers for the payment of federal taxes, state taxes, FICA and IPERS?				
d. Is the signature plate inserted into the printer and printed as the checks/warrants are printed? If this is done, the checks/warrants and signatures are printed in one operation.				
e. If the two operations are combined as described above, are review procedures of payroll by supervisory personnel adequate?				

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
PAYROLL

QUESTION	YES	NO	N/A	REMARKS
f. When a new employee is hired, is an independent person approving the entry in the computer system?				
g. Does the entity have a paperless system for electronic timesheets? If yes, answer the following:				
1) Do employees only have access to their electronic timesheet? Access should be obtained by the employee's login name and password.				
2) Do employees prepare their own electronic timesheet?				
3) Is there a supervisory approval of employee's electronic timesheets? Employees should not be approving their own electronic timesheet.				
4) Do supervisors only have access to the employee electronic timesheets that they approve? Access should be obtained by the supervisor's login name and password.				
5) Does only the personnel assistant enter payroll information for new employees or changes to payroll information?				
6) Is the departmental approval for payroll information segregated from the personnel assistant entering the payroll information?				
7) Is the personnel assistant entering payroll information restricted from preparing other employee's electronic timesheets?				
8) Is the personnel assistant entering payroll information restricted from approving employee timesheets?				
B. Procedural Controls				
1. Are salaries approved by the governing body for full-time and part-time employees?				
2. Are payrolls reviewed and approved by someone in authority?				
3. Is written approval required for:				
a. Employees added to or deleted from the payroll?				
b. Changes in rate of pay?				
c. Payroll deductions?				
4. Are files that support the above documentation in good order?				
5. Do procedures exist to ensure compliance with terms of union agreements (i.e., wage rates, vacation pay, and similar items)?				

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
PAYROLL

QUESTION	YES	NO	N/A	REMARKS
6. Do procedures exist to ensure appropriate regulations are being followed in regard to FICA, wages and hours, and other federal, state, and local requirements concerning employment?				
7. Do procedures exist to insure all employees are bona fide?				
8. Do procedures exist to insure employees do not receive more than the authorized salary payment?				
9. Are time sheets used and approved by appropriate personnel?				
10. Are rates of pay verified?				
11. Do procedures exist for properly documenting and controlling vacation, sick leave and compensatory time off?				
C. Custody				
1. Are complete personnel records maintained outside the payroll section?				
2. Are controls maintained over the supply of unused and voided checks/warrants?				
3. Are payroll checks/warrants kept in a secure place prior to distribution?				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ACTIVITIES**

Transaction Class: Payroll

Briefly summarize how the design of the internal control activities was identified.

Briefly summarize how the internal control activities were determined to be implemented.

Summary of Internal Control Weaknesses and Areas of Potential Misstatement:	Financial Statement Assertions					
	Occur	Compl.	Accur.	Cutoff	Class.	Ref. to GF-12.

Planned assessment of control risk: (Consider results of IT controls, if applicable)

Approach to Test of Controls:

Approach to Substantive Tests: What audit procedures are planned to achieve audit objectives and low audit risk considering the nature, timing and extent of procedures?

ENTITY **Sample Entity**

June 30, 2015 **CONTROL RISK ASSESSMENT**

TRANSACTION CLASS: Payroll

	Financial Statement Assertions					
Relevant Internal Control Activities	Occur	Compl.	Accur.	Cutoff	Class.	Tests of Controls**

FINAL RISK ASSESSMENT

Inherent Risk Assessment (Higher, Moderate or Lower)						
Initial Assessment of Control Risk *						
Tests of Controls (W/P Ref.)						
Final Assessment of Control Risk *						

* Maximum, slightly below maximum, moderate or low

** If deviations are noted, the auditor should make inquiries to understand the consequences of the deviation(s) and determine whether the test of controls can be relied upon, whether additional tests are necessary and whether the risk of material misstatement needs to be addressed through substantive procedures.

Did control or fraud risk change based on the tests of controls or other procedures? ____Yes ____No

If yes, describe the effect on substantive testing.

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
TRANSFERS

QUESTION	YES	NO	N/A	REMARKS
A. Segregation of Duties				
1. Are all interfund transfers properly authorized and approved by appropriate officials?				
2. Does the entity use computer software to account for transfers between funds/accounts?				
a. Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need. Identify those with access.				
B. Procedural Controls				
1. Are transfers in and transfers out recorded in the proper funds, in the same accounting period and on a timely basis?				
2. Are interfund transfers balanced monthly?				
3. Are all interfund transfers adequately explained and documented?				
4. Are interfund transfers appropriately classified as transfers rather than revenues/expenditures?				
5. Are interfund receivables and payables identified at year end?				
C. Custody				
1. Is supporting documentation for interfund transfers retained?				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ACTIVITIES**

Transaction Class: Transfers

Briefly summarize how the design of the internal control activities was identified.

Briefly summarize how the internal control activities were determined to be implemented.

Summary of Internal Control Weaknesses and Areas of Potential Misstatement:	Financial Statement Assertions					
	Occur	Compl.	Accur.	Cutoff	Class.	Ref. to GF-12.

Planned assessment control risk: (Consider results of IT controls, if applicable)

Approach to Test of Controls:

Approach to Substantive Tests: What audit procedures are planned to achieve audit objectives and low audit risk considering the nature, timing and extent of procedures?

ENTITY **Sample Entity**

June 30, 2015 **CONTROL RISK ASSESSMENT**

TRANSACTION CLASS: Transfers

	Financial Statement Assertions					
Relevant Internal Control Activities	Occur	Compl.	Accur.	Cutoff	Class.	Tests of Controls**

FINAL RISK ASSESSMENT

Inherent Risk Assessment (Higher, Moderate or Lower)						
Initial Assessment of Control Risk *						
Tests of Controls (W/P Ref.)						
Final Assessment of Control Risk *						

* Maximum, slightly below maximum, moderate or low

** If deviations are noted, the auditor should make inquiries to understand the consequences of the deviation(s) and determine whether the test of controls can be relied upon, whether additional tests are necessary and whether the risk of material misstatement needs to be addressed through substantive procedures.

Did control or fraud risk change based on the tests of controls or other procedures? ____Yes ____No

If yes, describe the effect on substantive testing.

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
FINANCIAL REPORTING

QUESTION	YES	NO	N/A	REMARKS
A. Segregation of Duties				
1. Is the final review and approval of financial reports segregated from preparation of the reports?				
2. Does the entity use computer software to account for financial reporting?				
a. Determine/verify access to programs, and functions within programs, is limited to those who have a legitimate need. Identify those with access.				
B. Procedural Controls				
1. Are reporting responsibilities clearly defined and reasonably aligned?				
2. Are accounting employees at all locations supervised by the principal accounting officer?				
3. Is there general ledger control over all assets and transactions of all departments of the organization?				
4. Are procedures and policies for closing the accounts for a reporting period sufficient to ensure that accounts are closed, adjusted and reviewed on a timely basis?				
5. Do procedures exist to ensure all accounting systems have included all transactions applicable to the reporting period?				
6. Are valuation reserves or other account balances based on estimates reviewed and approved?				
7. Are all journal entries reviewed, approved and supported by adequate descriptions or documentation?				
8. Do controls exist to ensure only authorized individuals can initiate entries?				
9. Do procedures exist to ensure the orderly and effective accumulation of financial data?				
10. Do procedures exist for the orderly processing of financial data received from departments and other accounting units?				
11. Do procedures exist to ensure all financial reports (external and internal, federal/state grant financial reports, etc.) are supported by either underlying accounting records or other documentation?				
12. Do procedures exist to ensure financial reports are prepared on a consistent basis?				
13. Are financial reports reviewed and approved at appropriate levels of management?				

ENTITY **Sample Entity**

June 30, 2015

CONTROL ACTIVITIES
FINANCIAL REPORTING

QUESTION	YES	NO	N/A	REMARKS
14. Are there procedures to ensure all requirements for filing financial reports are met?				
15. Do procedures exist to ensure disclosures are accurate and complete?				

ENTITY **Sample Entity**

June 30, 2015 **CONTROL ACTIVITIES**

Transaction Class: Financial Reporting

Briefly summarize how the design of the internal control activities was identified.

Briefly summarize how the internal control activities were determined to be implemented.

Summary of Internal Control Weaknesses and Areas of Potential Misstatement:	Financial Statement Assertions				
	Occur/ Rights & Oblig.	Compl.	Class. & Understand.	Accur./ Value.	Ref. to GF-12.

Planned assessment control risk: (Consider results of IT controls, if applicable)

Approach to Test of Controls:

Approach to Substantive Tests: What audit procedures are planned to achieve audit objectives and low audit risk considering the nature, timing and extent of procedures?

ENTITY **Sample Entity**

June 30, 2015 **CONTROL RISK ASSESSMENT**

PRESENTATION AND DISCLOSURE: Financial Reporting

	Financial Statement Assertions				
Relevant Internal Control Activities	Occur/ Rights & Oblig.	Compl.	Class. & Understand.	Accur./ Value.	Tests of Controls**

FINAL RISK ASSESSMENT

Inherent Risk Assessment (Higher, Moderate or Lower)					
Initial Assessment of Control Risk *					
Tests of Controls (W/P Ref.)					
Final Assessment of Control Risk *					

* Maximum, slightly below maximum, moderate or low

** If deviations are noted, the auditor should make inquiries to understand the consequences of the deviation(s) and determine whether the test of controls can be relied upon, whether additional tests are necessary and whether the risk of material misstatement needs to be addressed through substantive procedures.

Did control or fraud risk change based on the tests of controls or other procedures? ____Yes ____No

If yes, describe the effect on substantive testing.

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
ACTIVITIES ALLOWED OR UNALLOWED
AND ALLOWABLE COST PRINCIPLES

QUESTION	YES	NO	N/A	REMARKS
Instructions: Complete the Single Audit questionnaire for only major programs.				
CONTROL OBJECTIVES: To provide reasonable assurance federal awards are expended only for allowable activities and that the costs of goods and services charged to federal awards are allowable and in accordance with the applicable cost principles.				
Control Environment				
1. Does management set reasonable budgets for federal and non-federal programs so no incentive exists to miscode expenditures?				
2. Does management enforce appropriate penalties for misappropriation or misuse of funds?				
3. Does the entity realize the need for separate identification of allowable federal costs?				
4. Does management provide a list of allowable and unallowable expenditures to personnel who approve and pre-audit expenditures?				
Risk Assessment				
1. Does the entity have a process for assessing risks resulting from changes to cost accounting systems?				
2. Does management have a sufficient understanding of staff, processes and controls to identify where unallowable activities or costs could be charged to a federal program and not be detected?				
Control Activities				
1. Is there accountability for charges and costs between federal and non-federal activities?				
2. Is there a process in place for timely updating of procedures for changes in activities allowed and cost principles?				
3. Are computations checked for accuracy?				
4. Is supporting documentation compared to a list of allowable and unallowable expenditures?				
5. Are adjustments to unallowable costs made where appropriate and is follow-up action taken to determine the cause?				
6. Are there adequate segregation of duties in the review and authorization of costs?				
7. Is there an individual who is knowledgeable of the requirements for determining activities allowed and allowable costs?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
ACTIVITIES ALLOWED OR UNALLOWED
AND ALLOWABLE COST PRINCIPLES

QUESTION	YES	NO	N/A	REMARKS
Information and Communication				
1. Are reports, such as a comparison of budget to actual, provided to appropriate management for review on a timely basis?				
2. Have internal and external communication channels on activities and costs allowed been established?				
3. Do training programs, both formal and informal, provide knowledge and skills necessary to determine activities and costs allowed?				
4. Is there interaction between management and staff regarding questionable costs?				
5. Are grant agreements (including referenced program laws, regulations, handbooks, etc.) and cost principles circulars available to staff responsible for determining activities allowed and allowable costs under federal awards?				
Monitoring				
1. Does management review supporting documentation of allowable cost information?				
2. Does information flow from the federal agency to appropriate management personnel?				
3. Are comparisons made with budget and expectations of allowable costs?				
4. Are analytic reviews (e.g., comparison of budget to actual or prior year to current year) and audits performed?				

ENTITY **Sample Entity**

June 30, 2015 **CASH MANAGEMENT**

QUESTION	YES	NO	N/A	REMARKS
CONTROL OBJECTIVES: To provide reasonable assurance the draw down of federal cash is only for immediate needs, the entity and recipients limit payments to subrecipients to immediate cash needs.				
Control Environment				
1. Is there an appropriate assignment of responsibility for approval of cash drawdowns and payments to subrecipients?				
2. Are budgets for drawdowns consistent with realistic cash needs?				
Risk Assessment				
1. Do procedures exist to anticipate, identify and react to routine events which affect cash needs?				
2. Are there routine assessments of the adequacy of subrecipient cash needs?				
3. Has management identified programs which receive cash advances and is management aware of cash management requirements?				
Control Activities				
1. Are cash flow statements by program prepared to determine essential cash flow needs?				
2. Is the accounting system capable of scheduling payments for accounts payable and requests for funds from Treasury to avoid time lapse between drawdown of funds and actual disbursement of funds?				
3. Is there an appropriate level of supervisory review of cash management activities?				
4. Is there a written policy which provides:				
a. Procedures for requesting cash advances as close as is administratively possible to actual cash outlays?				
b. Monitoring of cash management activities?				
c. Repayment of excess interest earnings where required?				
Information and Communication				
1. Is variance reporting of expected versus actual cash disbursements of federal awards and drawdowns of federal funds being done?				
2. Is there an established channel of communication between the pass-through entity and the subrecipient regarding cash needs?				

ENTITY **Sample Entity**

June 30, 2015 **CASH MANAGEMENT**

QUESTION	YES	NO	N/A	REMARKS
Monitoring				
1. Is there periodic independent evaluation (e.g. by internal audit or top management) of the entity's cash management, budget and actual results, repayment of excess interest earnings and federal drawdown activities?				
2. Are subrecipients' requests for federal funds evaluated?				

ENTITY **Sample Entity**

June 30, 2015 **DAVIS-BACON ACT**

QUESTION	YES	NO	N/A	REMARKS
CONTROL OBJECTIVES: To provide reasonable assurance contractors and subcontractors were notified of the Davis-Bacon Act requirements and the required certified payrolls were submitted to the Entity.				
Control Environment				
1. Does management understand and communicate to staff, contractors and subcontractors the requirement to pay wages in accordance with the Davis-Bacon Act?				
2. Does management understand its responsibility for monitoring compliance?				
Risk Assessment				
1. Are there mechanisms in place to identify contractors and subcontractors most at risk of not paying the prevailing wage rates?				
2. Has management identified how compliance will be monitored and the related risks of failure to monitor for compliance with the Davis-Bacon Act?				
Control Activities				
1. Are contractors informed in the procurement documents of the requirements for prevailing wage rates?				
2. Are contractors and subcontractors required to submit certifications and copies of payrolls?				
3. Are contractors' and subcontractors' payrolls monitored to ensure certified payrolls are submitted?				
Information and Communication				
1. Are prevailing wage rates appropriately communicated?				
2. Do reports provide sufficient information to determine if requirements are being met?				
3. Are channels established for staff, contractors and workers to report misclassifications or failure to pay prevailing wages?				
Monitoring				
1. Does management review to ensure contractors and subcontractors are properly notified of the Davis-Bacon requirements?				
2. Does management review to ensure certified payrolls are properly received?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT ELIGIBILITY

QUESTION	YES	NO	N/A	REMARKS
CONTROL OBJECTIVES: To provide reasonable assurance only eligible individuals and organizations received assistance under federal award programs, subawards are made only to eligible subrecipients and amounts provided to or on behalf of eligibles were calculated in accordance with program requirements.				
Control Environment				
1. Does staff size and competence provide for making proper eligibility determinations?				
2. Are realistic caseload/performance targets established for eligibility determinations?				
3. Are lines of authority clear for determining eligibility?				
Risk Assessment				
1. Does the entity realize the risk eligibility information prepared internally or received from external sources could be incorrect?				
2. Are conflict-of-interest statements maintained for individuals who determine eligibility?				
3. Is there a process for assessing risks resulting from changes to eligibility determination systems?				
Control Activities				
1. Do written policies provide direction for making and documenting eligibility determinations?				
2. Are procedures to calculate eligibility amounts consistent with program requirements?				
3. Are eligibility objectives and procedures clearly communicated to employees?				
4. Are authorized signatures (manual or electronic) on eligibility documents periodically reviewed?				
5. Is the access to eligibility records limited to appropriate persons?				
6. Are manual criteria checklists or automated processes used in making eligibility determinations?				
7. Is the process for periodic eligibility re-determinations in accordance with program requirements?				
8. Is the accuracy of information used in eligibility determinations verified?				
9. Are procedures used to ensure the accuracy and completeness of the data used to determine eligibility?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT ELIGIBILITY

QUESTION	YES	NO	N/A	REMARKS
Information and Communication				
1. Does the information system meet needs of eligibility decision-makers and program management?				
2. Is the processing of eligibility information subject to edit checks and balancing procedures?				
3. Do training programs inform employees of eligibility requirements?				
4. Do channels of communication exist for people to report suspected eligibility improprieties?				
5. Is management receptive to suggestions to strengthen the eligibility determination process?				
6. Is the documentation of eligibility determination in accordance with program requirements?				
Monitoring				
1. Does management perform periodic analytical reviews of eligibility determinations?				
2. Are program quality control procedures performed?				
3. Are detailed transactions periodically audited?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
EQUIPMENT AND REAL PROPERTY MANAGEMENT

QUESTION	YES	NO	N/A	REMARKS
CONTROL OBJECTIVES: To provide reasonable assurance proper records are maintained for equipment acquired with federal awards, equipment is adequately safeguarded and maintained, disposition or encumbrances of any equipment or real property is in accordance with federal requirements and the federal awarding agency is appropriately compensated for its share of any property sold or converted to non-federal use.				
Control Environment				
1. Is management committed to providing proper stewardship for property acquired with federal awards?				
2. Do incentives exist to not under-value assets at time of disposition?				
3. Does sufficient accountability exist to discourage misuse of federal assets?				
Risk Assessment				
1. Are there procedures in place to identify the risk of misappropriation or improper disposition of property acquired with federal awards?				
2. Does management understand the requirements and operations sufficiently to identify potential areas of non-compliance (e.g., decentralized locations, departments with budget constraints, transfers of assets between departments)?				
Control Activities				
1. Are accurate records maintained for all acquisitions and dispositions of property acquired with federal awards?				
2. Are property tags placed on equipment?				
3. Is a physical inventory of equipment periodically taken and compared to property records?				
4. Do property records contain a description (including serial number or other identification number), a source, who holds title, the acquisition date and cost, percentage of federal participation in the cost, location, condition and disposition data?				
5. Are procedures established to ensure the federal awarding agency is appropriately reimbursed for dispositions of property acquired with federal awards?				
6. Are there policies and procedures in place for the responsibilities of recordkeeping and authorities for disposition?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
EQUIPMENT AND REAL PROPERTY MANAGEMENT

QUESTION	YES	NO	N/A	REMARKS
Information and Communication				
1. Does the accounting system provide for separate identification of property acquired wholly or partly with federal funds and with non-federal funds?				
2. Does a channel of communication exist for people to report suspected improprieties in the use or disposition of equipment?				
3. Are program managers provided with applicable requirements and guidelines?				
Monitoring				
1. Does management review the results of periodic inventories and follow up on inventory discrepancies?				
2. Does management review dispositions of property to ensure appropriate valuation and reimbursement to federal awarding agencies?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT MATCHING, LEVEL OF EFFORT, EARMARKING

QUESTION	YES	NO	N/A	REMARKS
CONTROL OBJECTIVES: To provide reasonable assurance matching, level of effort or earmarking requirements are met using only allowable funds or costs which are properly calculated and valued.				
Control Environment				
1. Is there a commitment from management to meet matching, level of effort and earmarking requirements (e.g., adequate budget resources to meet a specified matching requirement or maintain a required level of effort)?				
2. Does the budgeting process address/provide adequate resources to meet matching, level of effort or earmarking goals?				
3. Does an official written policy exist outlining:				
a. responsibilities for determining required amounts or limits for matching, level of effort or earmarking?				
b. methods of valuing matching requirements; e.g., "in-kind" contributions of property and services, calculations of levels of effort?				
c. allowable costs that may be claimed for matching, level of effort or earmarking?				
d. methods of accounting for and documenting amounts used to calculate amounts claimed for matching, level of effort or earmarking?				
Risk Assessment				
1. Have the areas where estimated values will be used for matching, level of effort or earmarking been identified?				
2. Does management have sufficient understanding of the accounting system to identify potential recording problems?				
Control Activities				
1. Has evidence been obtained such as a certification from the donor or other procedures performed to identify whether matching contributions:				
a. are from non-federal sources?				
b. involve federal funding, directly or indirectly?				
c. were used for another federally-assisted program?				
(Note: Generally, matching contributions must be from a non-federal source and may not involve federal funding or be used for another federally-assisted program.)				
2. Has there been adequate review of monthly cost reports and adjusting entries?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT MATCHING, LEVEL OF EFFORT, EARMARKING

QUESTION	YES	NO	N/A	REMARKS
Information and Communication				
1. Is the accounting system capable of separately accounting for data used to support matching, level of effort or earmarking amounts or limits or calculations?				
2. Is the accounting system capable of ensuring expenditures or expenses, refunds and cash receipts or revenues are properly classified and recorded only once as to their effect on matching, level of effort or earmarking?				
3. Is the accounting system capable of documenting the value of "in-kind" contributions of property or services, including:				
a. basis for local labor market rates for valuing volunteer services?				
b. payroll records or confirmation from other organizations for services provided by their employees?				
c. quotes, published prices or independent appraisals used as the basis for donated equipment, supplies, land buildings or use of space?				
Monitoring				
1. Is there a supervisory review of matching, level of effort or earmarking activities performed to assess the accuracy and allowability of transactions and determinations, e.g., at the time reports on federal awards are prepared?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
PERIOD OF AVAILABILITY
OF FEDERAL FUNDS

QUESTION	YES	NO	N/A	REMARKS
CONTROL OBJECTIVES: To provide reasonable assurance federal funds are used only during the authorized period of availability.				
Control Environment				
1. Does management understand and is management committed to complying with period of availability requirements?				
2. Are the entity's operations such that it is unlikely there will be federal funds remaining at the end of the period of availability?				
Risk Assessment				
1. Does the budgetary process consider period of availability of federal funds as to both obligation and disbursement?				
2. Is there identification and communication of the period of availability cut-off requirements as to both obligation and disbursement?				
Control Activities				
1. Does the accounting system prevent obligations or expenditures of federal funds outside of the period of availability?				
2. Are disbursements reviewed by persons knowledgeable of period of availability of funds?				
3. Are end of grant period cut-offs met by such mechanisms as advising program managers of impending cut-off dates and review of expenditures just before and after cut-off date?				
4. Are unliquidated commitments canceled at the end of the period of availability?				
Information and Communication				
1. Is there timely communication of period of availability requirements and expenditure deadlines to individuals responsible for program expenditure, including automated notifications of pending deadlines?				
2. Is there periodic reporting of unliquidated balances to appropriate levels of management and follow up?				
Monitoring				
1. Is there a periodic review of expenditures before and after cut-off date to ensure compliance with period of availability requirements?				
2. Does management review reports showing budget and actual for period?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
PROCUREMENT AND SUSPENSION DEBARMENT

QUESTION	YES	NO	N/A	REMARKS
CONTROL OBJECTIVES: To provide reasonable assurance the procurement of goods and services are made in compliance with the provisions of the A-102 Common Rule or OMB Circular A-110, as applicable, and no subaward, contract or agreement for purchases of goods or services is made with any debarred or suspended party.				
Control Environment				
1. Do codes of conduct and other policies regarding acceptable practice, conflicts-of-interest or expected standards of ethical and moral behavior for making procurements exist and have they been implemented?				
2. Is there a procurement manual which incorporates the federal requirements?				
3. Is there an absence of pressure to meet unrealistic procurement performance targets?				
4. Does management have policies against the intervention or overriding of established procurement controls?				
5. Is Board or governing body oversight required for high dollar, lengthy or other sensitive procurement contracts?				
6. Do key procurement managers, in light of responsibilities for procurements for federal awards, have adequate knowledge and experience?				
7. Is there clear assignment of authority for issuing purchase orders and contracting for goods and services?				
Risk Assessment				
1. Are there procedures to identify risks arising from vendor inadequacy, e.g. quality of goods and services, delivery schedules, warranty assurances, user support?				
2. Are procedures established to identify risks arising from conflicts-of-interest, e.g., kickbacks, related party transactions, bribery?				
3. Does management understand the requirements for procurement and suspension and debarment? Has management identified where non-compliance could likely occur?				
4. Are conflict of interest statements maintained for individuals with responsibility for procurement of goods or services?				
Control Activities				
1. Are there job descriptions or other means of defining tasks that comprise particular procurement jobs?				
2. Is the contractor's performance with the terms, conditions and specifications of the contract monitored and documented?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
PROCUREMENT AND SUSPENSION DEBARMENT

QUESTION	YES	NO	N/A	REMARKS
3. Have duties been segregated between employees responsible for contracting and accounts payable and cash disbursing?				
4. Are procurement actions appropriately documented in the procurement files?				
5. Do supervisors review procurement and contracting decisions for compliance with federal procurement policies?				
6. Have procedures been established to verify vendors providing goods and services under the award have not been suspended or debarred by the federal government?				
7. Is there an official written policy for procurement and contracts establishing:				
a. contract files document significant procurement history?				
b. the methods of procurement authorized, including selection of contract type, contractor selection or rejection, and the basis of contract price?				
c. verification procurements provide full and open competition?				
d. the requirements for cost or price analysis, including for contract modifications?				
e. the obtaining and reacting to suspension and debarment certifications?				
f. any other applicable requirements for procurements under federal awards are followed?				
8. Does the official written policy for suspension and debarment:				
a. contain or reference the federal requirements?				
b. prohibit the award of a subaward, covered contract or any other covered agreement for program administration, goods, services or any other program purpose with any suspended or debarred party?				
c. require staff to determine entities receiving subawards of any value and procurement contracts equal to or exceeding $25,000 and their principals are not suspended or debarred by checking the System for Award Management (SAM) website (www.sam.gov) or require inserting a clause in the agreement?				
Information and Communication				
1. Is there a system in place to assure procurement documentation is retained for the time period required by the A-102 Common Rule, OMB Circular A-110, award agreements, contracts and program regulations?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
PROCUREMENT AND SUSPENSION DEBARMENT

QUESTION	YES	NO	N/A	REMARKS
2. Does the documentation include:				
a. the basis for contractor selection?				
b. justification for lack of competition when competitive bids or offers are not obtained?				
c. the basis for award cost or price?				
3. Are the employees' procurement duties and control responsibilities effectively communicated?				
4. Are procurement staff provided on-line access to the System for Award Management (SAM) website (www.sam.gov)?				
5. Are channels of communication provided for people to report suspected procurement and contracting improprieties?				
Monitoring				
1. Does management periodically conduct independent reviews of procurements and contracting activities to determine whether policies and procedures are being followed as intended?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT PROGRAM INCOME

QUESTION	YES	NO	N/A	REMARKS
CONTROL OBJECTIVES: To provide reasonable assurance program income is correctly earned, recorded and used in accordance with the program requirements.				
Control Environment				
1. Does management recognize its responsibilities for program income?				
2. Is management prohibited from having intervention or overriding controls over program income?				
3. Are there realistic performance targets for the generation of program income?				
Risk Assessment				
1. Are there mechanisms in place to identify the risk of unrecorded or miscoded program income?				
2. Are variances between expected and actual income analyzed?				
Control Activities				
1. Are pricing and collection policies and procedures clearly communicated to personnel responsible for program income?				
2. Are there procedures in place to ensure that program income is properly recorded as earned and deposited in the bank as collected?				
3. Do policies and procedures provide for correct use of program income in accordance with federal program requirements?				
Information and Communication				
1. Do information systems identify program income collections and usage?				
2. Are there channels of communication for people to report suspected improprieties in the collection or use of program income?				
Monitoring				
1. Is there an internal audit of program income?				
2. Does management compare program income to budget and investigate significant differences?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
REAL PROPERTY ACQUISITION AND RELOCATION ASSISTANCE

QUESTION	YES	NO	N/A	REMARKS
CONTROL OBJECTIVES: To provide reasonable assurance of compliance with the real property acquisition, appraisal, negotiation and relocation requirements.				
Control Environment				
1. Is management committed to ensuring compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA)?				
2. Do written policies exist for handling relocation assistance and real property acquisition?				
Risk Assessment				
1. Has the risk relocation will not be conducted in accordance with the URA been identified, e.g., improper payments will be made to individuals or businesses which relocate?				
Control Activities				
1. Have employees handling relocation assistance and real property acquisition been trained in the requirements of the URA?				
2. Have expenditures pertaining to real property acquisition and relocation assistance been reviewed by employees knowledgeable in the URA?				
Information and Communication				
1. Is a system in place to adequately document relocation assistance and real property acquisition?				
Monitoring				
1. Does management monitor relocation assistance and real property acquisition for compliance with the URA?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT REPORTING

QUESTION	YES	NO	N/A	REMARKS
CONTROL OBJECTIVES: To provide reasonable assurance reports of federal awards submitted to the federal awarding agency or pass-through entity include all activity of the reporting period, are supported by underlying accounting or performance records and are fairly presented in accordance with program requirements.				
Control Environment				
1. Do persons preparing, reviewing and approving the reports possess the required knowledge, skills and abilities?				
2. Does management's attitude toward reporting promote accurate and fair presentation?				
3. Is there appropriate assignment of responsibility and delegation of authority for reporting decisions?				
Risk Assessment				
1. Do procedures exist to identify risks of faulty reporting caused by such items as lack of current knowledge of, inconsistent application of or carelessness or disregard for standards and reporting requirements of federal awards?				
2. Has underlying source data or analysis for performance or special reporting that may not be reliable been identified?				
Control Activities				
1. Do written policies exist to establish responsibility and provide the procedures for periodic monitoring, verification and reporting of program progress and accomplishments?				
2. Is there a tracking system which reminds staff when reports are due?				
3. Is the general ledger or other reliable records the basis for the reports?				
4. Are supervisory review of reports performed to assure accuracy and completeness of data and information included in the reports?				
5. Is the required accounting method used (e.g., cash or accrual)?				
Information and Communication				
1. Does an accounting or information system exist to provide for the reliable processing of financial and performance information for federal awards?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT REPORTING

QUESTION	YES	NO	N/A	REMARKS
Monitoring				
1. Do communications from external parties corroborate information included in the reports for federal awards?				
2. Are reports periodically compared with supporting records?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
SUBRECIPIENT MONITORING

QUESTION	YES	NO	N/A	REMARKS
CONTROL OBJECTIVES: To provide reasonable assurance federal award information and compliance requirements are identified to subrecipients, subrecipient activities are monitored, subrecipient audit findings are resolved and the impact of any subrecipient non-compliance on the pass-through entity is evaluated. Also, the pass-through entity should perform procedures to provide reasonable assurance the subrecipient obtained required audits and takes appropriate corrective action on audit findings.				
Control Environment				
1. Has there been an establishment of management's commitment to monitoring subrecipients?				
2. Does management prohibit the overriding of established procedures to monitor subrecipients?				
3. Is the entity's organizational structure and its ability to provide the necessary information flow to monitor subrecipients adequate?				
4. Are there sufficient resources dedicated to subrecipient monitoring?				
5. Are the knowledge, skills and abilities needed to accomplish subrecipient monitoring tasks defined?				
6. Do the individuals performing subrecipient monitoring possess the knowledge, skills and abilities required?				
7. Have the subrecipients demonstrated:				
a. they are willing and able to comply with the requirements of the award?				
b. they have accounting systems, including the use of applicable cost principles, and internal control systems adequate to administer the award?				
8. Have the appropriate sanctions been taken for subrecipient non-compliance?				
Risk Assessment				
1. Do key managers understand the subrecipient's environment, systems and controls sufficient to identify the level and methods of monitoring required?				
2. Do procedures exist to identify risks arising from external sources affecting subrecipients, such as risks related to:				
a. economic conditions?				
b. political conditions?				
c. regulatory changes?				
d. unreliable information?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
SUBRECIPIENT MONITORING

QUESTION	YES	NO	N/A	REMARKS
3. Do procedures exist to identify and react to changes in subrecipients, such as:				
a. financial problems which could lead to diversion of grant funds?				
b. loss of essential personnel?				
c. loss of license or accreditation to operate program?				
d. rapid growth?				
e. new activities, products or services?				
f. organizational restructuring?				
Control Activities				
1. Has the federal award information (e.g., CFDA title and number, award name, name of federal agency, amount of award) and applicable compliance requirements been identified to subrecipients?				
2. Has the requirement to comply with the compliance requirements applicable to the federal program, including the audit requirements of OMB Circular A-133, been included in agreements with subrecipients?				
3. Does the entity monitor subrecipients' compliance with audit requirements by:				
a. inquiring whether the subrecipient met the threshold requiring an audit under OMB Circular A-133?				
b. assuring the subrecipient submits the report, report package or the documentation required by OMB Circulars and/or recipient's requirements?				
c. following up with the subrecipient when required to have an audit until the audit is completed or taking appropriate action until the subrecipient meets the audit requirements?				
4. Does the entity monitor compliance of the subrecipients by:				
a. issuing timely management decisions for audit and monitoring findings to inform the subrecipient whether the corrective action planned is acceptable?				
b. maintaining a system to track and follow up on reported deficiencies related to programs funded by the recipient and ensure that timely corrective action is taken?				
c. regularly contacting the subrecipients and making appropriate inquiries concerning the federal program?				
d. reviewing subrecipient reports and following-up on areas of concern?				
e. monitoring subrecipient budgets?				
f. performing site visits to subrecipient to review financial and programmatic records and observe operations?				
g. offering subrecipients technical assistance where needed?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
SUBRECIPIENT MONITORING

QUESTION	YES	NO	N/A	REMARKS
5. Have official written policies and procedures been established:				
a. communicating federal award requirements to subrecipients?				
b. describing the responsibilities for monitoring subrecipients?				
c. defining the process and procedures for monitoring?				
d. describing the methodology for resolving findings of subrecipient non-compliance or weaknesses in internal control?				
e. listing the requirements for and processing of subrecipient audits, including appropriate adjustment of pass-through entity's accounts?				
Information and Communication				
1. Do standard award documents used by the non-federal entity contain:				
a. a listing of federal requirements the subrecipient must follow? (Items can be specifically listed in the award document, attached as an exhibit to the document or incorporated by reference to specific criteria.)				
b. the description and program number for each program as stated in the Catalog of Federal Domestic Assistance (CFDA)? (If the program funds include pass-through funds from another recipient, the pass-through program information should also be identified.)				
c. a statement signed by an official of the subrecipient stating the subrecipient was informed of, understands and agrees to comply with the applicable compliance requirements?				
2. Is a recordkeeping system in place to assure documentation is retained for the time period required by the recipient?				
3. Are procedures in place to provide channels for subrecipients to communicate concerns to the pass-through entity?				
Monitoring				
1. Has a tracking system been established to assure timely submission of required reporting, such as financial reports, performance reports, audit reports, on-site monitoring reviews of subrecipients and timely resolution of audit findings?				
2. Are supervisory reviews performed to determine the adequacy of subrecipient monitoring?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
SPECIAL TESTS AND PROVISIONS

QUESTION	YES	NO	N/A	REMARKS
CONTROL OBJECTIVES: To provide reasonable assurance of compliance with special tests and provisions.				
Identify and list all material special provisions:				
1. _____				
2. _____				
3. _____				
4. _____				
5. _____				
Control Environment				
1. Is management committed to ensuring compliance with the special tests and provisions identified above?				
Risk Assessment				
1. Has management identified how compliance will be monitored and the related risks of failure to monitor compliance with the special tests and provisions identified above?				
2. Has management identified areas where non-compliance could likely occur?				
Control Activities				
1. Are there procedures in place to ensure the special tests and provisions identified above are met?				
2. Is there an appropriate level of supervisory review of compliance with the special tests and provisions identified above?				
Information and Communication				
1. Are individuals who are responsible for determining compliance with the special tests and provisions identified above provided with applicable requirements?				
2. Do channels of communication exist for individuals to report instances of non-compliance?				
Monitoring				
1. Does management periodically review compliance with the special tests and provisions identified above?				

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
CONTROL ACTIVITIES

Common Requirements:
Federal Programs/Grants:

Briefly summarize how the design of the controls was identified.

Briefly summarize how the controls were determined to be implemented.

Summary of Internal Control Weaknesses and Areas of Potential Non-compliance:

Planned assessment of control risk:

Approach to Test of Controls:

Approach to Substantive Tests: What audit procedures are planned to achieve audit objectives and low audit risk considering the nature, timing and extent of procedures?

ENTITY **Sample Entity**

June 30, 2015

SINGLE AUDIT
FEDERAL CONTROL RISK ASSESSMENT

Common Requirements:
Federal Program:

Relevant Federal Controls	Federal Requirements (from below)	Tests of Controls and/or W/P Ref.*

Common Requirements:

A Activities Allowed or Unallowed
B Allowable Costs/Cost Principles
C Cash Management
D Davis-Bacon Act
E Eligibility
F Equipment and Real Property Management
G Matching, Level of Effort, Earmarking
H Period of Availability of Federal Funds
I Procurement and Suspension and Debarment
J Program Income
K Real Property Acquisition/ Relocation Assistance
L Reporting
M Subrecipient Monitoring
N Special Tests and Provisions

* If deviations are noted, the auditor should make inquiries to understand the consequences of the deviation(s) and determine whether the test of controls can be relied upon, whether additional tests are necessary and whether the risk of material non-compliance needs to be addressed through substantive procedures.

Did control or fraud risk change based on the tests of controls or other procedures? ____Yes ____No

If yes, describe the effect on substantive testing.

ENTITY **Sample Entity**

June 30, 2015

FINAL RISK ASSESSMENT
SINGLE AUDIT

Instructions: Circle level of assessed risk for each common requirement for each major program.

	Major Program (CFDA#):		Major Program (CFDA#):		Major Program (CFDA#):	
	Applicable?	Risk of material non-compliance with laws/regs.	Applicable?	Risk of material non-compliance with laws/regs.	Applicable?	Risk of material non-compliance with laws/regs.
Common Requirements:		Control Risk		Control Risk		Control Risk
A. Activities Allowed or Unallowed	Y N	Mx S M L	Y N	Mx S M L	Y N	Mx S M L
B. Allowable Costs/Cost Principles	Y N	Mx S M L	Y N	Mx S M L	Y N	Mx S M L
C. Cash Management	Y N	Mx S M L	Y N	Mx S M L	Y N	Mx S M L
D. Davis-Bacon Act	Y N	Mx S M L	Y N	Mx S M L	Y N	Mx S M L
E. Eligibility	Y N	Mx S M L	Y N	Mx S M L	Y N	Mx S M L
F. Equipment and Real Property	Y N	Mx S M L	Y N	Mx S M L	Y N	Mx S M L
G. Matching, Level of Effort, Earmarking	Y N	Mx S M L	Y N	Mx S M L	Y N	Mx S M L
H. Period of Availability of Federal Funds	Y N	Mx S M L	Y N	Mx S M L	Y N	Mx S M L
I. Procurement, Suspension and Debarment	Y N	Mx S M L	Y N	Mx S M L	Y N	Mx S M L
J. Program Income	Y N	Mx S M L	Y N	Mx S M L	Y N	Mx S M L
K. Real Property Acquisition and Relocation Assistance	Y N	Mx S M L	Y N	Mx S M L	Y N	Mx S M L
L. Reporting	Y N	MX S M L	Y N	Mx S M L	Y N	Mx S M L
M. Subrecipient Monitoring	Y N	Mx S M L	Y N	Mx S M L	Y N	Mx S M L
N. Special Tests and Provisions	Y N	Mx S M L	Y N	Mx S M L	Y N	Mx S M L

Applicable?

Y = Yes
N = Not applicable

Control Risk (CR)

Mx = Maximum
S = Slightly below maximum
M = Moderate
L = Low

ENTITY **Sample Entity**

Completed by _____
(Auditor)

INTERNAL CONTROL QUESTIONNAIRE
SEPARATELY MAINTAINED RECORDS

_____
(Office/Department)

QUESTION	YES	NO	N/A	REMARKS
GENERAL				
1. Is a chart of accounts used?				
2. Are the accounting records:				
a. adequate for the entity?				
b. kept up-to-date?				
c. balanced monthly?				
3. Are quarterly reports completed and filed with the governing body?				
4. Are employees and officials required to take annual vacations of at least one week?				
5. Is the work of an absent employee or official performed by other individuals?				
6. Are the employees and the officials covered by a fidelity bond?				
7. Is there an accounting procedures manual?				
8. Are specific duties assigned to individual employees?				
9. Is a current property and equipment schedule on file with the governing body to provide for adequate review of insurance coverage?				
PETTY CASH AND CHANGE FUNDS				
1. Is responsibility for each petty cash and change fund assigned to only one person?				
2. Are the petty cash and change fund maintained on an imprest basis?				
3. Is the petty cash fund replenished periodically by warrant/check after filing a claim with the petty cash vouchers or receipts attached?				
4. Are the petty cash and change funds segregated from other cash?				
CASH RECEIPTS				
1. Is mail opened by someone other than an employee having access to the account records?				
2. Is a list of the money and checks received prepared by the person opening the mail at least on a test basis?				
3. Is this list compared with the cash receipts records and the bank deposit by a person not preparing the list or involved in maintaining the accounting records?				

ENTITY **Sample Entity**

Completed by _____
(Auditor)

INTERNAL CONTROL QUESTIONNAIRE
SEPARATELY MAINTAINED RECORDS

_____
(Office/Department)

QUESTION	YES	NO	N/A	REMARKS
4. Are responsibilities for collection, deposit preparation and reconciliation functions segregated from those for recording and accounting of cash receipts?				
5. Is a restrictive endorsement (for deposit only) placed on all checks immediately upon receipt?				
6. Are receipts deposited:				
a. intact?				
b. timely?				
7. Is a duplicate deposit ticket stamped by the bank or a receipt, returned to the person who prepared the deposit?				
8. Is the stamped, duplicate deposit ticket or receipt compared to the cash receipt journal?				
9. Are receipts issued? If so, are they prenumbered and is the numerical sequence accounted for?				
10. Are receipts posted to the cash receipts journal on a daily basis?				
11. Are all voided receipts properly mutilated and retained?				
12. Are voided receipts on cash register tapes reviewed by an independent person for propriety?				
13. Is this review evidenced by the initials or signature of the reviewer?				
14. Is cashing of checks from cash receipts prohibited? If no, is there a written policy regarding cashing of checks? Review policy for reasonableness.				
15. Are delinquent accounts periodically aged and reviewed by an official?				
16. Are returned checks adequately controlled and periodically reviewed for collectability?				
17. Are records maintained to identify the disposition of returned checks?				
18. Are receipts per the cash receipts journal totaled monthly?				
19. Are prenumbered tickets issued for admission to activities or events (i.e., pools or golf courses)?				
20. Are the number of tickets sold reconciled to cash received?				
21. Do facilities exist for protecting undeposited cash receipts?				
CASH DISBURSEMENTS				
1. Are unused checks adequately controlled and safeguarded? Describe how.				

ENTITY **Sample Entity**

Completed by _____
(Auditor)

INTERNAL CONTROL QUESTIONNAIRE
SEPARATELY MAINTAINED RECORDS

_____
(Office/Department)

QUESTION	YES	NO	N/A	REMARKS
2. Are checks prenumbered by the printer?				
3. Does each check signer review checks and supporting documentation?				
4. Is the practice of drawing checks to "cash" or "bearer" prohibited? Identify exceptions.				
5. Is the numerical sequence of checks issued properly accounted for?				
6. Are all voided checks properly mutilated and retained?				
7. Are all payments made by check (except petty cash)?				
8. Are receipts obtained for non-check disbursements (such as, checks endorsed to another officeholder/department, miscellaneous cash receipts remitted to treasurer etc.)?				
9. Are a limited number of responsible individuals authorized to sign checks?				
10. Are checks signed:				
a. manually?				
b. by a check-signing machine?				
c. by signature stamp?				
11. Are the facsimile signature plates or stamps properly safeguarded? Describe how.				
12. If a check-signing machine is used, are the number of checks written compared with the counter on the machine by a person independent of the check-signing function?				
13. Is the signing of checks in advance prohibited?				
14. Are the persons who sign checks independent of persons:				
a. approving disbursements?				
b. handling petty cash?				
c. recording cash receipts?				
d. preparing checks?				
15. Are disbursements in the cash disbursement journal totaled monthly?				
PAYROLL				
1. Are personnel records (including wages, salaries, tax information and deductions) maintained for all employees?				
2. Are salaries approved by the governing body for:				
a. full-time employees?				

ENTITY **Sample Entity**

Completed by _____
(Auditor)

INTERNAL CONTROL QUESTIONNAIRE
SEPARATELY MAINTAINED RECORDS

_____
(Office/Department)

QUESTION	YES	NO	N/A	REMARKS
b. part-time employees?				
3. Are written authorizations required for:				
a. additions to payroll?				
b. initial wage and salary rates?				
c. changes in wages?				
d. dismissals?				
e. creation and changes in employee miscellaneous deductions?				
4. Are time sheets prepared for all employees, including salaried:				
a. used to substantiate hours worked?				
b. approved by a responsible official?				
5. Are there policies established and are they being followed for:				
a. overtime pay?				
b. sick pay?				
c. vacation pay?				
d. holiday pay?				
e. advance pay?				
6. Are mechanics of the payroll preparation rechecked as part of the payroll procedures?				
7. Are payrolls reviewed and approved prior to distribution of warrants?				
CASH				
1. Are bank account(s) maintained for the deposit of all monies received authorized by the governing body?				
2. Are bank account balances reconciled with book balances promptly at the end of each month?				
3. Is a list of outstanding checks prepared at the end of each month?				
4. If applicable, are monthly listings of all liabilities prepared and reconciled with the book balances? (This includes amounts due: other offices, other governments, State of Iowa and bonds and trusts due others.)				
5. Are bank accounts reconciled by a person who does not:				
a. sign checks?				
b. handle cash?				
c. record cash?				

ENTITY **Sample Entity**

Completed by _____
(Auditor)

INTERNAL CONTROL QUESTIONNAIRE
SEPARATELY MAINTAINED RECORDS

_____
(Office/Department)

QUESTION	YES	NO	N/A	REMARKS
6. Are bank statements and checks delivered to the reconciler unopened?				
7. Are bank reconciliations periodically reviewed by an independent person for propriety?				
8. Is this review evidenced by the initials or signature of the reviewer?				
9. Does the reconciler examine paid checks for dates, payee, signature, cancellations and endorsements, and account for numerical sequence of checks?				
10. Are checks outstanding for over two years periodically investigated and written-off, if appropriate?				
11. Are other reconciling items appropriate? Identify other reconciling items at year end.				
12. Is all cash not currently needed invested?				
13. Are cash long or short amounts reviewed and resolved periodically by a responsible official?				

ENTITY **Sample Entity**

Completed by _____
(Auditor)

INTERNAL CONTROL QUESTIONNAIRE
SEPARATELY MAINTAINED RECORDS

_____
(Office/Department)

Briefly summarize how the design of the internal control activities was identified.

Briefly summarize how the internal control activities were determined to be implemented.

Summary of Internal Control Weaknesses and Areas of Potential Misstatement:

Due to the immaterial nature of the office/department, control risk will not be assessed. Substantive audit procedures have been designed as deemed necessary.

CONCLUSION:

We obtained sufficient knowledge of the office's/department's internal control process in order to plan the audit.

Updated and reviewed by:

June 30,	20__	20__	20___	20__
Reviewer/Date	____	____	_____	_____

ENTITY **Sample Entity**

Completed by _____
(Auditor)

INTERNAL CONTROL QUESTIONNAIRE
SEPARATELY MAINTAINED RECORDS
SUPPLEMENT FOR LAW ENFORCEMENT

Name and title of client personnel interviewed _____ _____
(Office/Department)

QUESTION	YES	NO	N/A	REMARKS
1. Does the entity maintain any cash for investigative purposes? If so, is it provided for counting to the governing body and the auditors?				
2. Are there any other cash funds on hand other than a change and/or petty cash fund?				
3. Does the entity have any funds on hand which is used to make purchases?				
4. Does the entity have bank accounts or cash funds for any of the following:				
a. Drug or investigate money?				
b. Seizures and forfeitures?				
c. Drug dog money?				
d. Commissary money?				
e. Inmate or jail money?				
f. Donated moneys?				
g. Bond moneys?				
h. Contract law enforcement funds?				
i. Phone rebate moneys?				
j. Any other bank accounts?				
5. Are jail inmate moneys reconciled to a cash listing or other detail?				
6. Are jail phone rebates received and is the money remitted to the entity's General Fund or is it retained?				
7. Is a commissary account used and is it reconciled to the records maintained?				
8. Are cash appearance bonds collected? If so, are they remitted to the Clerk of Court on a timely basis?				
9. Has the entity received any free equipment or items from a vendor through a promotional program based on purchases made?				
10. Are all moneys collected immediately docketed and receipted in?				

ENTITY **Sample Entity**

Completed by _____
(Auditor)

INTERNAL CONTROL QUESTIONNAIRE
SEPARATELY MAINTAINED RECORDS
SUPPLEMENT FOR LAW ENFORCEMENT

Name and title of client personnel interviewed _____ _____
(Office/Department)

QUESTION	YES	NO	N/A	REMARKS
11. Are office employees cross-trained on other duties? For instance, in the absence of the accounting person/civil deputy, is someone else able to perform some or all of their duties? (Examples: Are regular, timely deposits made? Are receipts written? Is posting and/or computer entry and/or docketing performed? Can/do others have access to all financial information?)				
12. Is the entity involved in any grants? If so, what are the grants and is the grant money being remitted directly to the appropriate fund of the entity when received?				
13. Are adequate controls in place for cash received through seizures or abandonment including:				
a. Establishing dual custody after initial receipt?				
b. Timely initial cash count performed and documented by more than one individual?				
c. Properly secured and locked in safe?				
d. Recorded in a centralized log of cash seized?				
e. Periodic comparison of cash per centralized log to cash on hand performed by more than one individual?				
f. Proper and timely remittance for deposit to entity's forfeiture fund or for payment to other parties as directed by court action?				
14. Are adequate controls in place for room and board collections?				
15. Are adequate controls in place for fuel cards and mileage logs?				
16. Are adequate controls in place for monitoring inventory of ammunition?				
17. Are access rights to secure areas reviewed periodically and updated when employees are terminated?				

ENTITY **Sample Entity**

Completed by _____
(Auditor)

INTERNAL CONTROL QUESTIONNAIRE
SEPARATELY MAINTAINED RECORDS
SUPPLEMENT FOR LAW ENFORCEMENT

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