SAVE FORM

SELF ASSESSMENT OF INTERNAL CONTROL

Form F

Budget and Financial Cycles

Accounts Receivable Cycle

Department of _____

Fiscal Year Ending _____ ☐ NA-_____

		Yes	No	NA	Comments
	A. Control Activities / Information and Communications				
1	Is there a formal organizational document (chart, manual, etc.) defining responsibilities for preparing bills, recording payments, collecting amounts due and following up of on unpaid accounts?				
2	Does the department have written credit and collection policies that adequately address relevant risks and meet State requirements?				
3	Do procedures exist to prepare and send billings as soon after the sale of goods or performance of service as possible, but at least within the month?				
4	Have procedures been documented to collect monies due within the established payment terms?				
5	Have procedures been adopted to notify the Attorney General's office and follow through the collection after 90 days?				
6	Does the department participate in the Set off Debt Program?				
7	Has an allowance account been established for doubtful accounts to reflect the amount of the department's receivables that management estimates will be uncollectible?				
8	Are accounts written off the department's financial accounting records when all collection procedures have been exhausted without success and reason adequately documented?				
9	Do write-offs or adjustments have proper authorizations? (Critical Control)				
10	Do procedures exist to prevent the interception or alteration by unauthorized persons of billings or statements after preparation but before they are mailed?				
11	Does the department have established policies and procedures concerning refunds of overpayments, issuance of billing adjustments?				
12	Are all services or goods provided to individuals or other governmental units billed when goods are provided or services rendered ?				
13	Are payment terms 30 days after billing, unless contractual requirements specify otherwise?				

Accounts Receivable Cycle

		Yes	No	NA	Comments
14	Are subsidiary accounts receivable and notes receivable records maintained and reconciled at least monthly with the general ledger control account? (Critical Control)				
15	Are the following amounts properly recorded: a. Amounts due from local governments? b. Amounts due from federal agencies? c. Amounts due from other departments/divisions/agencies? d. Amounts due from other funds? e. Interest Receivable? f. Trade Receivables? g. Taxes Receivable?				
16	Does the department charge interest on a past-due account receivable from the date the account receivable was due until it is paid?				
17	Are individual receivable records posted only from authorized documents?				
18	Are remittance advices and billings retained to support entries to accounts receivable records?				
19	Are databases and, where appropriate, usage records accurately maintained to ensure that amounts due are billed correctly?				
20	Are charges for goods or services based on authorized rates and approved by the appropriate State/Federal authorities?				
21	Are statements of account balances mailed at least once a month?				
22	Is the accounting department notified directly and in a timely manner of billings and collection?				
23	Are collections on accounts receivable deposited daily, rather than held for posting to detail records?				
24	To aid in collection, does the department obtain the following minimum prescribed information on prospective debtors: a. Full name and any previous name(s) if applicable? b. Home and office address(es) for the past two years? c. Telephone numbers for home and place of employment? d. Federal Employer Identification Number? e. Social Security Number for individuals or sole proprietorships contracting with the State? f. For other individuals, Social Security Number and/or Driver's License Number? g. Date of Birth? h. Place and type of employment and employer's address, and previous				

		Yes	No	NA	Comments
	employer if less than two years in present job? i. A credit bureau report may be required depending on the amount of the potential receivable and the guidelines of the agency or institution?				
25	Are the following duties performed by different people: a. Billing and collecting of accounts receivable funds? (Critical Control) b. Maintaining detail accounts receivable records, collecting, and general ledger posting? (Critical Control) c. Writing off or adjusting to accounts receivable and the maintenance of accounts receivable records? (Critical Control) d. Investigating disputes with billing amounts and the maintenance of accounts receivable records? (Critical Control) e. Reconciling, investigating reconciling items and posting detail accounts receivable records? (Critical Control)				
26	Are all collections on accounts receivable posted to individual receivable accounts?				
27	Is access to the accounts receivable accounting system limited only to authorized individuals? (Critical Control)				
	B. Monitoring				
28	Are corrections and adjustments to cash receipts documented and approved by management? (Critical Control)				
29	Are all non-cash credits, such as credit memos, allowances, and bad debts properly authorized? (Critical Control)				
30	Are there controls to ensure that individuals with delinquent accounts are not receiving additional credit?				
31	Is an aging schedule prepared monthly and reviewed by management? (Critical Control)				
32	Are delinquent accounts followed up?				
33	Are all legal remedies followed to collect write-offs or uncollectible accounts with the Attorney General?				
34	Are rates reviewed at least annually for billed services or goods?				
35	Are accounts reviewed for propriety of transactions and balances by someone independent of cash and accounts receivable accounting? (Critical Control)				