SAVE FORM

SELF ASSESSMENT OF INTERNAL CONTROL

Form G

Budget and Financial Cycles

Purchasing/Accounts Payable 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 the responsibilities of preparing, recording, approving and following up on all purchases and accounts payable functions?				
2	Are purchases of goods and services initiated by properly authorized requisitions bearing the approval of officials designated to authorize requisitions?				
3	Do procedures exist for processing invoices not involving materials or supplies (for example, lease or rental payments, and utility bills)?				
4	Do procedures exist ensuring accurate account distribution of all entries resulting from invoice processing?				
5	Do procedures exist for disbursement approval and check-signing?				
6	Has the department established procedures to ensure that all voided checks are properly accounted for and effectively canceled?				
7	Is a written policy established to ensure that the best possible price is obtained for purchases not made from state contract or subject to competitive bidding requirements?				
8	If construction contracts are awarded, are bid and performance bonds as well as retainage required to assure performance?				
9	Are procedures established to identify, before purchase orders are issued, cost and expenditures not allowable under grant federal/state programs?				
10	Do invoice processing procedures provide for: a. Obtaining copies of requisitions, purchase orders and receiving reports as applicable? b. Comparison of invoice quantities, prices, and terms with those indicated on the purchase order? c. Comparison of invoice quantities with those indicated on the receiving reports? d. As appropriate, checking accuracy of calculations? e. Alteration/mutilation of extra copies of				

Purchasing/Accounts Payable Cycle

		Yes	No	NA	Comments
	invoices to prevent duplicate payments? f. All file copies of invoices are stamped paid to prevent duplicate payments?				
11	Are purchase orders prenumbered and issued in sequence?				
12	Are purchase orders or contracts required to be approved by appropriately designated officials before issuance? (Critical Control)				
13	Are changes to contracts or purchase orders subject to the same controls and approvals as the original agreement? (Critical Control)				
14	Is an adequate record of open purchase orders and agreements maintained?				
15	Are payments made as close to the discount date as possible, and if applicable, that exemptions from sales, federal excise, and other taxes are claimed?				
16	Is splitting orders to avoid higher levels of approval prohibited?				
17	Has an effective small purchase or emergency purchase policy been documented and implemented?				
18	If a receiving department is not used, do adequate procedures exist to ensure that goods for which payment is to be made have been verified and inspected by someone other than the individual approving payment?				
19	Are goods received accurately counted and examined to see that they meet quality standards?				
20	Are receiving reports prepared for all purchased goods?				
21	Are copies of receiving reports sent directly to purchasing or accounting?				
22	If an invoice is received from a supplier not previously dealt with, are steps taken to ascertain that the supplier actually exists?				
23	Are all invoices received from vendors in a central location, such as the accounting department?				
24	Are there steps in the processing procedures to prevent or detect duplicate payments?				
25	Are payments made only on the basis of original invoices and to suppliers identified on supporting documentation?				
26	Are the accounting and purchasing departments promptly notified of returned purchases, and are such purchases correlated with vendor credit advices?				
27	Is proper control maintained over vendor credit memos?				

Purchasing/Accounts Payable Cycle

		Yes	No	NA	Comments
28	Are signed checks delivered directly to the mail room, making them inaccessible to persons who requested, prepared, authorized or recorded them?				
29	Are monthly reconciliations performed on the following: a. All petty cash accounts? b. All bank accounts? c. All subsidiary accounts to the general ledger accounts?				
30	Are the following duties performed by different people: a. Requisitioning, purchasing, and receiving functions and the invoice processing, accounts payable, and general ledger functions? b. Purchasing, requisitioning and receiving? c. Invoice processing and making entries to the general ledger? d. Preparation of cash disbursements, approval, and entries to the general ledger? e. Making detail cash disbursement entries and entries to the general ledger?				
31	Are disbursements approved for payment only by properly designated officials? (Critical Control)				
32	Are travel expenses for out-of-state, out-of-country, and excess allowances approved in advance?				
33	Are invoices (vouchers) reviewed for accuracy and completeness of supporting documents and properly approved?				
34	Is the individual responsible for approval or check-signing furnished with invoices and supporting data to be reviewed prior to approval or check-signing? (Critical Control)				
35	Are adjustments of recorded accounts payable or other liabilities properly approved? (Critical Control)				
36	Is check signing limited to only authorized personnel?				
37	Are unused checks adequately controlled and safeguarded?				
38	Is it prohibited to sign blank checks in advance?				
39	Is it prohibited to make checks out to the order of "cash"?				
40	If facsimile signatures are used, are the signature plates adequately controlled and separated physically from blank checks?				

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		Yes	No	NA	Comments
41	Are signatures plate used only under the signer's control and does that person or an appropriate designee record machine readings to ascertain that all checks signed are properly accounted for?				
42	Are original invoices and supporting documents marked to indicate that payment has been made?				
	B. **Monitoring**				
43	Are transfers or loans between funds approved by management and allowable under applicable law**?**				
44	Before commitment, are funds not obligated, but remaining in the budget verified by the accounting or budget department as sufficient to meet the proposed expenditure?				
45	Is a government representative or architect required to inspect construction projects before approval of payment?				
46	Are requests for progress payments under long-term contracts related to contractors' efforts and are they formally approved by a designated contract administrator/officer with formal approval authority? (Critical Control)				
47	Is the coding of charges in the accounting department reviewed by a person competent to pass on the propriety of the distribution?				
48	Are debit balances in accounts payable and other liabilities reviewed and researched?				
49	Are reasonable limits set on amounts that can be paid by facsimile signatures?				
50	Are all records, checks and supporting documents retained according to the applicable (state or federal) record retention policy?				
51	Does the accounting department record and follow up on partial deliveries?				
52	Are P-card purchases reconciled monthly by someone other than the card holder? (Critical Control)				
53	Are all prescribed statewide policies and procedures regarding the use of P-cards followed?				
54	Are P-card transactions audited on a periodic basis?				