SAVE FORM

SELF ASSESSMENT OF INTERNAL CONTROL

Form M

Budget and Financial Cycles

Debt Cycle

Department_____

Fiscal Year Ending_____ ☐ NA-_____

		Yes	No	N/A	Comments
	A. Control Activities / Information and Communications				
1	Is there a formal organizational document (chart, manual, etc.) which identifies the responsibilities for processing and recording debt are clearly defined?				
2	Are policies established to ensure that debt issued is authorized? Does specific legislation or regulations allow the organization to issue debt?				
3	Are separate accounting records maintained for each debt issuance?				
4	Are all proceeds from bond issues subject to arbitrage rebate requirements accounted for separately from the department's other funds to facilitate tracking of the investment earnings?				
5	Are policies established to ensure that debt issued is correctly recorded as to amount and fund?				
6	Are policies established to ensure that proceeds of debt issued are recorded properly?				
7	Are all bond order and secondary market disclosure requirements complied with and appropriate IRS forms (8038-G or 8038-GC) filed?				
8	Is the department compliant with all debt service and other fiscal requirements of the bond resolutions?				
9	Are policies established to ensure that cash is available for payment of interest and matured debt?				
10	Are policies established to ensure that interest payments are recorded properly?				
11	Are procedures established to ensure that the redemption of mature debt is correctly recorded as to amount and fund?				
12	Are procedures established to ensure that the defeasance of debt is correctly recorded as to amount and fund?				
13	Are policies established to ensure that access to unissued debt and related records is limited?				
14	Are interest payments reconciled to debt outstanding?				

Debt Cycle

		Yes	No	N/A	Comments
15	Are detail records on debt reconciled to general ledger controls monthly? (Critical Control)				
16	Are the following responsibilities performed by different people? (Critical Control) a. Handling and recording of debt? (Critical Control) b. Reviewing and reconciling control accounts separate from the person who records the information? (Critical Control) c. Recording of cash separate from the recording of the debt? (Critical Control) d. Maintaining detail records on debt separate from cash functions? (Critical Control)				
17	Is a fiscal agent used for debt issue, interest payments, and redemption?				
18	Do evidences of debt and principal repayment checks/transfers require the signature of two responsible officials who are authorized and who are independent of each other?				
19	Is debt issued only in the department's name or in the State's name? (Critical Control)				
20	If fiscal agents are used for the payment of bonds and interest, does the department receive periodic reports of bonds outstanding and unclaimed interest and are these reports reconciled on a quarterly basis? (Critical Control)				
21	Is the department meeting the arbitrage rebate requirements for all tax-exempt financing?				
	B. Monitoring				
22	Are redeemed bond coupons canceled and accounted for prior to payment of bond interest and reconciled to bond records by an independent employee?				
23	In relation to question 2 above, do all debt issues have to be properly authorized in accordance with applicable legal requirements (i.e. voters, governing body, other governmental agencies or top financial officers)?				
24	Does a responsible official determine that debt is retired from the appropriate revenue sources?				

		Yes	No	N/A	Comments
25	Does a responsible official periodically determine whether the governmental unit is in compliance with agreement restrictions and report results to a higher authority?				
26	Does a responsible official review use of proceeds from bonds sales to ensure that proceeds are used in accordance with legal requirements?				