



**Internal Controls Over Financial Reporting
Self-assessment Tool**



CASH

Legend:

- = Successfully meets standard.
- = Does not meet standard, but making satisfactory progress towards attainment.
- = Does not meet standard; underlying issues have not been addressed
- N/A = Not applicable

Assessment For Period Ending: _____

Reviewer's Signature

Date: _____

Control Objectives

As public servants, it is our responsibility to use taxpayers' dollars in the most effective and efficient way possible while adhering to applicable laws and regulations. This document does not address all possible circumstances that need to be considered when establishing internal controls or assessing risk. Each government is responsible for reviewing its business practices and processes to determine where risks exist and where and how controls can be established to mitigate them.

Financial reporting control objectives are as follows:

1. Recorded transactions are valid (existence).
2. All valid transactions are recorded; none are omitted (completeness).
3. Transactions are recorded in the proper fiscal period (cut-off).
4. Transactions are in compliance with applicable laws and policies (rights & obligations).
5. Transaction amounts are accurately valued or calculated (valuation).
6. Transactions are properly classified to the correct fund and account (classification).

Description of Control				N/A	Comments / Responsible Individual
------------------------	---	--	---	-----	-----------------------------------

Segregation of Duties

1. Are responsibilities for collection and deposit preparation functions segregated from those for recording cash receipts and general ledger entries?					
2. Are responsibilities for cash receipts functions segregated from those for cash disbursements?					
3. Are responsibilities for disbursement preparation and disbursement approval functions segregated from those for recording or entering cash disbursements information on the general ledger?					
4. Are responsibilities for the disbursement approval function segregated from those for the disbursement, voucher preparation, and purchasing functions?					

Description of Control				N/A	Comments / Responsible Individual
5. Are responsibilities for entries in the cash receipt and disbursement records segregated from those for general ledger entries?					
6. Are responsibilities for preparing and approving bank account reconciliations segregated from those for other cash receipt or disbursement functions?					
7. If computer software is used to account for cash or fund balances, is access to programs and functions within programs, limited to those who have a legitimate need?					
8. If computer software is used to account for cash or fund balances does an independent person approve bank wire transfers for cash?					
Bank Accounts					
9. Is there a complete listing of all bank accounts that are under the government's control?					
10. Have all bank accounts been reported to a central accounting department or the State Treasurer?					
Do collections provide for the following					
11. Timely deposits of all receipts made according to applicable laws?					
12. Controls at each collection location, to assure timely deposit and accurate recording of collections?					
13. Mail opened by two people?					
14. Remittances by mail listed in duplicate at the time the mail is opened?					
15. Listing prepared by a person other than the one opening the mail?					
16. One copy of the listing forwarded, along with the money, to the cashier or depositor?					
17. Other copy attached as supporting documentation to the accounting transaction?					
18. A third person periodically comparing the list with the deposit record?					
19. Amounts of currency contained in each item of mail verified by a second person?					

Description of Control	Green	Yellow	Red	N/A	Comments / Responsible Individual
20. Documents enclosed with currency are machine date stamped or dated and initialed by the employee opening the mail?					
21. A secure area provided for processing and safeguarding incoming cash receipts?					
22. Access to the secured area restricted to authorized personnel, only?					
23. Is the secured area locked when not occupied?					
24. Cash protected by using registers, safes, or locks and kept in areas of limited access?					
25. Timely notice of cash receipts at separate collection locations given to a central accounting department?					
26. Cash received at branch locations transmitted to the central office or to the Treasurer through the banking system?					
27. Branch personnel restricted to making cash deposits, only?					
28. Daily reported receipts at separate collection locations compared to records of a general accounting department?					
29. Restrictive endorsements placed on incoming checks as soon as received?					
30. "Not sufficient funds" checks delivered to someone independent of those processing and recording cash receipts?					
31. Established procedures for follow-up of "not sufficient funds" checks?					
32. If checks received are forwarded to be used as posting media to customers' accounts, are there controls to ensure checks are returned promptly for deposit?					
33. If payments are made in person, are receipts controlled by cash register, pre-numbered receipts, or other equivalent means?					
34. Receipts accounted for and balanced to collections records daily?					
35. Pre-numbered forms accounted for, including a record of voided forms?					
36. Facilities for protecting undeposited cash receipts?					
37. Records maintained to assure correct handling and final disposition of items held in suspense?					

Description of Control	Green	Yellow	Red	N/A	Comments / Responsible Individual
38. Suspense accounting eliminated by direct deposit of money to the correct fund, as much as possible?					
39. Delay of deposits avoided by making sure fund distribution is immediately determinable?					
Do disbursements procedures provide for the following					
40. Control over warrant, sight draft, or check-signing machines, as to signature plates and usage?					
41. Procedures providing for immediate notification, as applicable, to banks, Treasurer, and Controller, when warrant, sight draft, or check signers leave the unit or are otherwise no longer authorized to sign?					
42. Furnishing invoices and supporting documents to the signer prior to signing the warrant, sight-draft, or check, to help assure funds are disbursed only for authorized purposes; and to help assure laws, rules, and regulations are followed?					
43. Setting reasonable limits on amounts payable by facsimile signature?					
44. Requiring two signatures on warrants, sight drafts, or checks over a stated amount?					
45. Maintaining signature plates in the custody of the person whose facsimile signature is on the plate, when the plate is not in use?					
46. Using plates only under the signer's control and recording of machine reading by the signer or an appropriate designee, to ascertain all signed warrants, sight drafts, or checks are properly accounted for by comparison to document control totals?					
47. Direct delivery to the mail room of signed warrants, sight drafts, or checks, making them inaccessible to persons who requested, prepared, or recorded them?					
48. Prohibiting the drawing of warrants, sight drafts, or checks to "cash" or "bearer"?					
49. Controls to ensure all payments are made on a timely basis and in accordance with all purchase orders and contracts?					
50. Controls to ensure duplicate payments are not made?					
51. Are original invoices (no copies) totaling the amount of the disbursement attached to each voucher before payment?					

Description of Control	Green	Yellow	Red	N/A	Comments / Responsible Individual
52. Controls to ensure each cash disbursement is properly vouchered and approved by the proper authorities before the disbursement occurs?					
Do custody procedures provide for the following					
53. Maintenance of controls over the supply of unused and voided warrants, sight drafts, or checks?					
54. Do the custodian and a responsible supervisor take monthly physical inventories of blank stock?					
55. Proper authorization of bank accounts or rotary accounts?					
56. Periodic reviews of and formal reauthorization of depositories?					
57. Controls and physical safeguards surrounding petty cash funds?					
58. Maintenance of fidelity insurance coverage?					
59. Maintenance of separate bank accounts for each fund, or if not, fund control over pooled cash?					
Do detail accounting procedures include the following					
60. Procedures ensuring collections and disbursements are recorded accurately and promptly in the correct fund or account?					
61. Procedures for authorizing and recording inter-bank and inter-fund transfers and providing for proper accounting for those transactions?					
Do general ledger procedures provide for the following					
62. General ledger control over all bank accounts?					
63. Delivery of bank statements and paid warrants, sight drafts, or checks in unopened envelopes directly to the employee preparing the reconciliation?					
Do general ledger procedures include the following steps, which are essential to an effective reconciliation					
64. Comparison of warrants, sight drafts, or checks in appropriate detail with disbursement records?					
65. Examination of signature and endorsements, at least on a test basis, to determine forgeries, alterations, improper endorsement?					
66. Accounting for numerical sequence of warrants, sight drafts, or checks used?					
67. Comparison of book balances used in reconciliations with balances in general ledger accounts?					
68. Comparison of deposit amounts and dates with cash receipt entries?					
69. Footing of cash books?					

Description of Control	Green	Yellow	Red	N/A	Comments / Responsible Individual
70. Review and approval of all reconciliations and investigation of unusual reconciling items by an official not responsible for receipts and disbursements, including recording evidence of the review and approval, by signing the reconciliation?					
71. Periodic investigation of checks outstanding for a considerable time?					