Internal Control Evaluation Checklist

## \*\*excerpt from 72 page:

## Policies and Procedures Manual

## Monitoring Plan and Tools

# Community Services Block Grant Program

STATE OF MAINE

Grantee \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Contact Person \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contract Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contract Period: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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| CASH RECEIPTS | **Yes** | **No** |
| Have procedures been established to notify the program director and other appropriate personnel when funds are deposited directly into the grantee’s bank account? |  |  |
| Is there a policy requiring that all cash receipts should be recorded promptly and deposited intact daily or at appropriate intervals (within three working days)? |  |  |
| Are duplicate deposit slips prepared, so that the bank can process one copy and return the other for checking against the cash receipts record? |  |  |
| Is the person responsible for receiving cash without authority to sign checks and reconcile bank accounts? |  |  |
| Was all staff handling cash covered by a Fidelity Bond? |  |  |

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| CASH DISBURSEMENTS | **Yes** | **No** |
| Are checks controlled and accounted for with safeguards over unused, returned, and voided checks? |  |  |
| Is the drawing of checks payable to “cash” or “bearer” prohibited? |  |  |
| Are unused checks kept in a secure area? |  |  |
| Is there an enforced rule against signing checks in advance? |  |  |
| If check-signing plates are used, are they adequately controlled and maintained by a responsible official who reviews and accounts for prepared checks? |  |  |
| Are two signatures required on all checks over a stated amount? If yes, what amount has been established? $\_\_\_\_\_\_\_\_\_\_\_ |  |  |
| Are check signers responsible officials or employees of the organization? |  |  |
| Is there sufficient separation of duties to ensure effective control over preparation, authorization/certification, and distribution of checks? |  |  |

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| PETTY CASH | **Yes** | **No** |
| Is petty cash reimbursed by check, and are disbursements reviewed and reconciled at that time? |  |  |
| Are petty cash receipts cancelled upon reimbursement of the fund to prevent reuse? |  |  |

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| PURCHASING | **Yes** | **No** |
| Do supporting documents, such as invoices, purchase orders, and receiving reports, accompany checks when presented for check signers’ review? |  |  |
| PURCHASING (continued) | **Yes** | **No** |
| Are extensions on invoices and applicable freight and other charges checked by appropriate personnel? |  |  |
| Are vouchers and supporting documents appropriately cancelled (stamped or perforated) to prevent duplicate payments? |  |  |
| Are checks adequately cross-referenced to vouchers? |  |  |
| Are all disbursements, except those made from petty cash, made by check? |  |  |

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| PAYROLL AND PERSONNEL | **Yes** | **No** |
| Are personnel policies in writing? |  |  |
| Are duties for key employees of the grantee defined? |  |  |
| Is there an organization chart setting forth the actual lines of responsibility? |  |  |
| Are there procedures to control time and attendance reporting? |  |  |
| Are time cards and/or attendance sheets used? |  |  |
| Is supervisory approval of time and/or attendance reports required? |  |  |
| Are there procedures to insure that employees are paid in accordance with approved wage and salary rates? |  |  |
| Is the distribution of payroll charges checked, and are aggregate amounts compared to the approved budget? |  |  |
| Are authorizations on file to support the rates of pay, withholdings, and deductions for each employee? |  |  |
| Are payroll checks distributed by persons not responsible for preparing the checks? |  |  |
| Has the grantee obtained fidelity bond coverage for responsible officials and employees? (Indicate those covered and the amount of coverage). |  |  |

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| BANK STATEMENTS | **Yes** | **No** |
| Are bank statements received, and reconciliations prepared monthly, by someone other than the fiscal officer? |  |  |
| Are old outstanding checks followed up on? |  |  |
| Are deposits-in-transit reviewed for reasonableness? |  |  |

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| ACCOUNTING POLICIES AND PROCEDURES | **Yes** | **No** |
| Are written procedures maintained covering the recording of transactions, an accounting manual, and a chart of accounts? |  |  |
| Does the grantee maintain a policy manual covering approval authority for financial transactions? |  |  |
| Does the policy manual include guidelines for controlling expenditures, such as purchasing requirements and travel authorizations? |  |  |
| Are duties separated so that no one individual has complete authority over an entire financial transaction? |  |  |
| Are the grantee’s financial records computerized? |  |  |
| Are the accounting record kept up-to-date, and is a trial balance prepared at least monthly? |  |  |
| ACCOUNTING POLICIES AND PROCEDURES (continued) | **Yes** | **No** |
| Are financial statements prepared and distributed to management periodically (monthly or quarterly)? |  |  |
| Are general journal entries approved prior to posting? |  |  |
| Are general journal entries supported by adequate explanations and/or supporting documentation?  |  |  |
| Do the procedures, chart of accounts, etc., provide for the identification and recording of all receipts and expenditures for the entire project as shown in the project budget? |  |  |
| Have all non-cash transactions been properly explained/documented and recorded in the accounting records? |  |  |
| Are accounting records and valuables secured in limited-access areas? |  |  |
| Are individual contract registers or subsidiary schedules maintained for each contract awarded? |  |  |
| Are subsidiary records for assets, accounts receivable, accounts payable and contract registers reconciled with control accounts on a regular basis? |  |  |
| Does the grantee have a cost allocation plan? |  |  |
| Did administrative and indirect costs charged to the program have supporting documentation to form the basis for amounts allocated? |  |  |
| Were allocated costs posted to the general ledger on a timely basis?  |  |  |

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| INDEPENDENT FINANCIAL AUDIT | **Yes** | **No** |
| What is the expected date the audit requirement for this contract will be completed by? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |
| Does the grantee have a competitive procurement process to select an auditor? |  |  |
| If no, explain the selection process:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |
| What is the time period of the most recent audit report?From: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ To: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Was the audit report completed and submitted to the Department of Community and Culture no later than nine (9) months from the last date of the organization’s fiscal year? |  |  |
| Were accounting records and financial statements auditable based on the auditor’s opinion and the cover letter? |  |  |
| Were internal controls found to be adequate to properly account for revenues, expenditures and project assets? |  |  |
| Were there any findings or concerns expressed regarding the expenditures of CSU funds or any compliance issue identified? |  |  |
| If yes, briefly list findings:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  |  |  |
| If there were any audit findings, has CSU staff prepared a written inquiry to the grantee requesting a written response to the auditor’s findings or concerns? |  |  |
| AUDIT (continued) | **Yes** | **No** |
| Has the grantee responded to the audit findings? |  |  |
| If yes, was the grantee’s response acceptable? |  |  |
| If no, explain:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |
| Has the grantee taken corrective action, or will corrective action be taken within six (6) months of the receipt of the audit report by the grantee? |  |  |
| If appropriate officials were not promptly informed, explain: |  |  |
| If yes, were appropriate local, state and/or federal officials informed promptly? (Obtain copies of correspondence). |  |  |
| Did the auditor identify any illegal acts and/or irregularities? |  |  |
| If yes, list the illegal acts and/or irregularities identified by the auditor:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |  |
| If yes, were appropriate local, state and/or federal officials informed promptly? |  |  |

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| SUMMARY AND CONCLUSIONS | **Yes** | **No** |
| Based on the financial management monitoring, does the grantee: |
|  a. Have a financial management system that provides for accurate, current and complete disclosure of the financial results of the contract? |  |  |
|  b. Have records that adequately identify the source and use of funds for each activity? |  |  |
|  c. Have effective control over and accountability for all funds and assets? |  |  |
|  d. Have adequate control over property purchased with CSU funds? |  |  |
|  e. Have source documentation to support accounting records? |  |  |
|  f. Meet the requirements of bank accounts and interest? |  |  |
|  g. Meet grant agreement special conditions relative to the obligations or expenditure of CSU funds? |  |  |
| Based on the available evidence, has the grantee complied with the audit requirements? |  |  |
| Based on the audit report, has the grantee complied with all appropriate financial and program requirements pertaining to CSU program(s)? |  |  |

***Briefly describe the monitoring visit including information regarding the date(s) of the visit, other program(s) reviewed, agency staff interviewed, agency activities observed, subcontractors visited, and noted exemplary parts of the program:***

**Exit Conference**

Preliminary Summary of Findings and Need for Corrective Action(s):

As a result of the monitoring visit, the following need(s) for technical assistance have been identified:

If appropriate, indicate a scheduled date for a follow-up, onsite visit to assess the implementation of corrective actions: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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 ***(Agency Representative) (Title) (Date)***

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_

 ***(CSU Fiscal Reviewer) (Date)***

# ADMINISTRATIVE