

Preparer:	Date:
Reviewer:	Date:

**[DEPARTMENT/AGENCY] – CASH DISBURSEMENTS DCR
INTERNAL CONTROL QUESTIONNAIRE
AS OF XX/XX/01**

Interviewee:
Title:

Legend: I = interview, O = observation, T = test	YES	NO	N/A	W/P Ref.	COMMENTS
RECEIPT OF GOODS:					
1. Are the duties of requisitioning, purchasing, and receiving adequately segregated?					
2. Does the individual who receives shipments verify the shipment, inspect for damage, and document the quantity of goods received on the receiving report?					
3. Are copies of receiving reports numerically accounted for or otherwise controlled to ensure they are sent directly to purchasing and accounting?					
4. Does someone other than the individual that approves payments verify that goods and services have been received, the goods and services meet quality standards and unauthorized substitutions have not been made (quality assurance), and is this review documented?					
5. Are controls in place to record and follow-up on partial deliveries?					
6. Are the accounting and purchasing departments promptly notified of returned purchases, and are such purchases correlated with vendor credit advice?					

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PROCESSING INVOICES/ DISTRIBUTION REQUEST:					
7. Are the duties of receiving, invoice processing, authorization, and recording segregated from the duties of recording cash disbursements and general ledger entries?					
8. Are all invoices from vendors received in a central location, such as the accounting department?					
9. Are invoices compared to purchase orders for quantities, prices, and terms and are invoices compared to receiving reports for quantities?					
10. Are invoices footed and computations reviewed for mathematical accuracy?					
11. Are differences in invoice and purchase order prices, terms, shipping arrangements, and quantities referred to purchasing for review and approval?					
12. Are claims for Board approved contracts compared to the contract terms and payment schedule (if applicable)?					
13. Does the dept./agency prohibit the practice of splitting invoices to circumvent established approval or payment limits?					
14. Are disbursement requests supported by original invoices/receipts to prevent duplicate payments?					
15. If a photocopy or fax is used in place of an original document (when the original document was unavailable), is this explained in a note to the photocopy or fax?					

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16. Does the accounting department establish control over invoices received before releasing them for departmental approval and other processing?					
17. Does a supervisor review and approve (in writing) disbursement requests/invoices by checking the clerical accuracy and examining the supporting documentation?					
18. If an invoice is received from a supplier not previously dealt with, are steps taken to ascertain that the supplier actually exists?					
19. Do controls exist for processing invoices not involving materials or supplies (e.g. services, rental payments, etc.)?					
20. Do controls exist to ensure accurate account coding and timely posting to the accounting system of all entries resulting from invoice processing?					
21. Do controls exist to ensure all cash discounts are taken and, if applicable, exemptions from sales, federal excise, and other taxes are claimed?					
22. Are procedures in place to identify and properly account for unmatched receiving reports, open invoices & purchase orders?					
23. Does the Authorized Signature List on file with the Auditor-Controller accurately reflect those dept./agency personnel authorized to approve disbursements?					
24. Do procedures exist to ensure the reserve for encumbrances (obligations) is adjusted when invoices are prepared for payment?					

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CASH DISBURSEMENTS:					
25. Are the duties of disbursement approval, custody of check stock inventory, recording of transactions, check preparation, check authorization, and check mailing/distribution adequately segregated?					
26. Is access to the master vendor table limited to employees authorized to make changes?					
27. Is computer access restricted to only the programs and input screens required for employees to perform their designated duties?					
28. Are scheduled payment dates reviewed by a supervisor or manager in order to ensure that timely payments are made to prevent loss of discounts and loss of interest earnings?					
29. Does the signer review disbursement request/invoices and supporting documents prior to signing the check?					
30. Are checks cross-referenced to invoices?					
31. Are invoices and supporting documents canceled by or in the presence of the check signer at the time of signing to prevent duplicate payments?					
32. If the dept./agency uses signature stamps or signature plates, are they stored in a locked location with restricted access?					
33. Does the authorized signer or appropriate designee read the check-signing machine to ensure all checks are properly accounted for by comparison to document control totals?					

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34. Are reasonable limits set on amounts that can be paid by a check-signing machine?					
35. Are two signatures required on checks over a stated amount?					
36. Do controls exist to ensure that checks that have been signed and issued are recorded promptly?					
37. Do controls exist to ensure that signed checks are properly secured until distribution (inaccessible to persons who requested, prepared, or recorded them)?					
38. Are amounts on checks verified for correct dollar amount and agreed to payment vouchers (requests for payment/invoices) before distribution?					
39. Do controls exist to notify banks when a new check signer is authorized or a previous signer is no longer authorized to sign?					
40. For those depts./agencies that do not write their own checks, are procedures in place to ensure that adequate supporting documentation for disbursements is submitted to the Auditor-Controller?					
41. For wire transfer disbursements, are the duties of initiation, review/approval, and processing adequately segregated?					
42. Are wire transfer requests reviewed for appropriateness, accuracy, and adequacy of supporting documentation prior to approval?					
43. Are wire transfer requests approved in writing by an individual on the Authorized Signature List authorized to sign disbursement requests, and is the list on file with the Auditor-Controller and Treasurer?					

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SAFEGUARDING CHECKS:					
44. Are unused checks stored in a secure location with restricted access?					
45. Is check stock periodically inventoried with discrepancies investigated timely?					
46. Are checks pre-numbered and issued in numerical sequence?					
47. Are breaks in check stock numbers reviewed and investigated timely?					
48. After each check run, are all check numbers accounted for as being issued, voided, or unused?					
49. Are spoiled checks immediately voided and are these checks maintained in the files in compliance with the record retention policies?					
50. Are the identities of individuals that pick-up checks verified against an authorization list and are some form of identification reviewed by employees distributing the checks?					
MONITORING:					
51. Are statements from vendors compared to recorded accounts payable on a regular basis?					
52. On a regular basis, is the subsidiary accounts payable ledger traced to supporting documentation of individual payables and is the total of the subsidiary ledger compared to the accounts payable control account on the general ledger by an employee other than the accounts payable clerk?					
53. Does the dept./agency management perform timely reviews of the expenditure/disbursement reports for reasonableness and appropriateness?					

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54. Are actual expenditures compared to budgeted expenditures, and are material variances between budgeted and actual expenditures researched on a timely basis, discussed with management, and documented?					
55. Does management investigate employee, vendor, and client complaints timely?					
56. Are procedures in place requiring supporting documentation and disbursement reports to be maintained and secured for an appropriate period of time, as required by County policy and legislative/contractual requirements?					
57. Does the dept./agency have current written procedures for cash disbursements and have they been made available to the appropriate employees?					