

Self Assessment of Internal Control

Purchasing / Accounts Payable Cycle

Agency _____

Fiscal Year Ending _____

<u>YES</u>	<u>N/A</u>	<u>NO</u>		
				A. Control Activities / Information and Communication
			1.	Is there a formal organizational chart defining the responsibilities of preparing, recording, approving and follow up of all purchases and accounts payable functions?
			2.	Is a written policy established to ensure that the best possible price is obtained for purchases not made from state contract?
			3.	If construction contracts are awarded, are bid and performance bonds as well as retainage required to assure performance?
			4.	Are procedures established to identify, before purchase orders are issued, cost and expenditures not allowable under grant federal/state) programs?
			5.	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?
			6.	Do procedures exist ensuring accurate account distribution of all entries resulting from invoice processing?
			7.	Do procedures exist for disbursement approval and check-signing?
			8.	Has the agency established procedures to ensure that all voided checks are properly accounted for and effectively canceled?
			9.	Has an effective small purchase or emergency purchase policy been documented and implemented?
			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 invoices to prevent duplicate payments?
				f. All file copies of invoices are stamped paid to prevent duplicate payments?
			12.	Are payments made as close to the discount date as possible?
			13.	Is splitting orders to avoid higher levels of approval prohibited?
			14.	Is an adequate record of open purchase orders and agreements maintained?
			15.	Are receiving reports prepared for all purchased goods?
			16.	Are goods received accurately counted and examined to see that they meet quality standards?
			17.	Are copies of receiving reports sent directly to purchasing or accounting?
			18.	If an invoice is received from a supplier not previously dealt with, are steps taken to ascertain that the supplier actually exists?
			19.	Are payments made only on the basis of original invoices and to suppliers identified on supporting documentation?
			20.	Are the accounting and purchasing departments promptly notified of returned purchases, and are such purchases correlated with vendor credit advices?
			21.	Is proper control maintained over vendor credit memos?
			22.	Are signed checks delivered directly to the mail room, making them inaccessible to persons who requested, prepared, authorized or recorded them?
			23.	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?
			24.	Are the following duties generally performed by different people:
				a. Custodian of funds and disbursements.
				b. Recording disbursement activity and adjustments in subsidiary or general ledger
				c. Authorization of transactions
				d. Reconciliation of check logs, subsidiary ledger, general ledger, bank statement, etc.
			25.	Is check signing limited to only authorized personnel?

			26.	Are disbursements approved for payment only by properly designated officials?
			27.	Are travel expenses for out-of-state, out-of-country, and excess allowances approved in advance?
			28.	Are invoices (vouchers) reviewed and approved for completeness of supporting documents?
			29.	Is responsibility fixed for seeing that all cash discounts are taken and if applicable, that exemptions from sales, federal excise, and other taxes are claimed?
			30.	Is the individual responsible for approval or check-signing furnished with invoices and supporting data to be reviewed prior to approval or check-signing?
			31.	Are adjustments of recorded accounts payable or other liabilities properly approved?
			32.	Are unused checks adequately controlled and safeguarded?
			33.	Is it prohibited to sign blank checks in advance?
			34.	Is it prohibited to make checks out to the order of "cash"?
			35.	If facsimile signatures are used, are the signature plates adequately controlled and separated physically from blank checks?
			36.	Are purchases of goods and services initiated by properly authorized requisitions bearing the approval of officials designated to authorize requisitions?
			37.	Are all invoices received from vendors in a central location, such as the accounting department?
			38.	Are purchase orders pre-numbered and issued in sequence?
			39.	Are signature plates 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?
			40.	Are original invoices and supporting documents marked to indicate that payment has been made?
			41.	Are changes to contracts or purchase orders subject to the same controls and approvals as the original agreement?
			42.	Are there checks in the processing procedures to prevent or detect duplicate payments?
				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 as available?
			45.	Are purchase orders or contracts required to be

				approved by appropriately designated officials before issuance?
			46.	Is a government representative required to inspect construction projects before approval of payment?
			47.	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?
			48.	Is the coding of charges in the accounting department reviewed by a person competent to pass on the propriety of the distribution?
			49.	Are debit balances in accounts payable and other liabilities reviewed and followed up?
			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 partial deliveries?