University of Nevada, Reno
Internal Control Assessment Tool

Answer "yes" only when all of the sentences in a group can be answered in the affirmative. A "yes" answer suggests an appropriate level of control is in place. A "no" answer suggests that A potential internal control weakness exists. Please refer to the Best Practices guidelines available on the Campus Audit website. Call Campus Audit at 784-4297, 682-6299 or 784-3573 if you have any questions or need assistance in completing this checklist. You may also call if you would like a Campus Auditor to review the assessment with you.

Department: _____Date: _____

General Business and Management Practices

	Yes	No
The department has an up-to-date organizational chart that depicts the responsibilities and reporting relationships of each employee.	◯	◯
The department has written department-specific policies and procedures for conducting the business and financial operations of the department. These policies and procedures designate approval (signature) authority and review responsibilities and cover necessary "how to" instructions, the opening and distribution of mail, key control, confidentiality issues and access to documents, information, software and equipment.	◯	◯
The department maintains current written job descriptions for all staff members. The Department has clearly communicated the delegation of duties when an employee is absent.	◯	◯
The department regularly communicates updates and reminders of policies and procedures to faculty and staff.	◯	◯
The department's employees are given appropriate training and supervision for their job functions.	◯	◯
Departmental staff and management are familiar with the university's policies and procedures as detailed in the University Administrative Manual, Regent's Guidelines and other directives.	◯	◯
The department has periodic staff meetings or other means of ensuring that relevant information impacting the department's business is communicated through out the department.	◯	◯
The department's management monitors and reviews the department's compliance with university as well as departmental policies and procedures.	◯	◯

	Yes	No

A specific individual is responsible to reconcile monthly financial reports (CAIS and any other accounting systems) to supporting receipt and expenditure documentation on a timely basis. This reconciliation is documented by signing and dating the monthly Balance and Activity Report.

Based on the reconciliation of monthly financial reports, differences and discrepancies are identified and corrected on a timely basis.

The department chair or director or other supervisor reviews and approves the Balance and Activity report on a timely basis. Approval is documented with a signature and date.

One or more specific individuals have responsibility to monitor budget line amounts in order to meet financial obligations and to reduce rejected transactions.

The department has an organized filing system in place to store and to retrieve financial documents, supporting documentation, sponsored projects files and other business files.

Documents are retained for the appropriate time period in accordance with the University Administrative Manual.

When no longer required in the departmental files, documents are disposed of or transferred to the university archives in accordance with the University Administrative Manual.

At the end of the year, the department's financial records are reasonably stated. There are no material errors or violations of expenditure authority.

Cash Handling and Cash Receipts

	Yes	No
Change funds are established and increased only as authorized by the Controller and **not** through the retaining of unrecorded receipts.	◯	◯
Only a limited number of essential employees have safe combinations and keys to cash boxes.	◯	◯
Safe combinations are changed periodically and after turnover in personnel assigned direct responsibility for the combinations. The date the combinations were last changed was _____.	◯	◯
The department has no bank accounts of its own and receives no bank statements.	◯	◯
Change funds are used only as intended: Checks and money orders are not accepted for more than the amount of the transaction (i.e., no cash back option). The department does **not** cash checks. Change funds are **not** used as petty cash funds. There are no cash refunds, except in the case of returned merchandise.	◯	◯
Checks and money orders are made payable to the "Board of Regents" (not "UNR" or left blank for later ink-stamping)	◯	◯
A restrictive endorsement is immediately placed on incoming checks and money orders when they are received.	◯	◯
Refunds are approved by someone other than the employee processing the refund, and, except in the case of merchandise returns, are issued by the Controller's Office.	◯	◯
The person who opens the mail prepares a daily log of cash, checks and money orders received in the mail.	◯	◯
For funds received in person, where the department does not use a cash register, the department issues standardized duplicate receipt forms when cash or checks are collected. Receipt forms are pre-numbered, used in sequential order and are prepared immediately when funds are collected.	◯	◯
Each cash register drawer or change fund box is secured when not in use. Each cash register drawer or change fund is the sole responsibility of only one person at a time. If the fund is passed from one person to another, an appropriate transfer of custody form is used.	◯	◯
Voids processed on cash registers are authorized by the processing employee's supervisor as evidenced with a signature.	◯	◯

	Yes	No

At the end of each shift, the person responsible for the change fund counts the fund and prepares a close-out sheet or other statement to reconcile the sales receipts to the sales documentation, which includes all supporting documentation (detail cash register tape, z-out tape, void authorization, credit card report, sales report, sign-in sheet, etc.). ○ ○

The person responsible for the sales receipts prepares a bank deposit slip (if applicable), and/or a cashier's receipt and deposits all received funds within the time allowed by the University Administrative Manual. All funds collected are secured until deposit. The cashier's receipt accurately records overages and shortages. ○ ○

At the end of each shift, a supervisor reviews the supporting documentation and approves the cash received/ sales reconciliation (close-out sheet). The supervisor verifies that all checks received in the mail have been properly transacted. The supervisor assures that all appropriate supporting documentation is filed and retained with a copy of the deposit slip. ○ ○

At least monthly, receipts for recurring revenues or for accounts receivable are reconciled to assure that all receipts and revenues are accounted for. ○ ○

Duties of opening mail, processing cash received by mail, and accounts receivable reconciliation are segregated among several individuals. There is no one individual who is responsible for two or more of these activities. ○ ○

Duties of collecting cash in person, making deposits, and monthly accounting reconciliation are segregated among several individuals. There is no one individual who is responsible for two or more of these activities. ○ ○

Individuals primarily responsible for handling cash or receipting functions take at least five consecutive days of annual leave each year, and their work is performed by other individuals in their absence. ○ ○

The Department has documented procedures and has assigned responsibility for pursuing payment for checks returned for insufficient funds. ○ ○

Credit card transactions are processed in accordance with the bank's credit card standards, including verification of identification and signature comparison. ○ ○

Credit card refunds are reviewed and approved by a second individual, as evidenced with a signature. ○ ○

At the end of the year, the department's revenues and cash receipts are reasonably stated in its financial records. No material errors have been left uncorrected. ○ ○

Petty Cash Funds

	Yes	No
Each petty cash fund is authorized by the Controller's Office prior to being established. Increases are made by request to the Controller. The Controller is notified when there is a change of custodian.	◯	◯
Petty cash funds are frequently reconciled to ensure that the cash on hand equals the authorized bank less the sum of the un-reimbursed expenditures.	◯	◯
Disbursements from petty cash funds are documented with detailed, original receipts which are submitted to accounts payable for reimbursement.	◯	◯
The petty cash fund custodian does not use the fund to make loans.	◯	◯
Petty cash funds are kept locked in a secure location except when being used to transact business (i.e., a locked drawer out of public view during business hours).	◯	◯
Reimbursement of petty cash funds are recorded on a timely basis, not less often than quarterly.	◯	◯
Petty cash funds are verified on a regular, unannounced basis by an individual other than the fund custodian.	◯	◯

General Expenditures

	Yes	No
The department's management monitors and reviews expenditure records in order to ensure that all departmental expenditures are made in compliance with the University Administrative Manual and are for valid departmental business purposes.	◯	◯
The department's accounting and management employees are familiar with the signature approvals required by the University Administrative Manual, including those required for travel, hosting, and P-Card expenditures.	◯	◯
The department reviews the Advantage/CAIS account manager and signature tables each year and informs the Controller's Office of any changes due to transfers, retirements and other changes in employee status.	◯	◯
Specific individuals are responsible to verify that budgeted funds are available for each purchase requisition initiated in the department, as well as for any payment requests and expenditure transfers and corrections.	◯	◯
Do department employees refuse gifts from vendors?	◯	◯
The department has clearly designated which employees are authorized to use the departmental purchasing card and reviews this list periodically. Statements for departmental P-cards are reviewed by the department chair or director for questionable purchases and signed by the reviewer.	◯	◯
Statements for individual P-cards are reviewed and signed by the individual's supervisor who has confirmed that each purchase is properly charged and supported with appropriate documentation.	◯	◯
Staff members who are assigned university purchasing cards secure the cards to prevent unauthorized use.	◯	◯
The department's management employees review the selection of independent contractors to ensure that the process is appropriate and that the department is aware of any potential conflicts of interest.	◯	◯
The department has clearly communicated the prohibition against personal phone calls to its staff members. Employees are regularly reminded that they must report personal phone calls to the person who reviews the phone bills.	◯	◯
Requests for reimbursements made for purchases using personal funds are approved by the requesting individual's supervisor.	◯	◯
The department verifies that purchases of inventoriable equipment have been added to the department's fixed asset listing.	◯	◯

Payroll, Leave Records and Human Resources

	Yes	No
The department's management monitors and reviews leave and payroll records in order to ensure that leave record and time keeping are made in compliance with the University Administrative Manual.	◯	◯
The department's management has assured that employees are knowledgeable about relevant policies and procedures for payroll and human resources.	◯	◯
Timecards are signed by an employee's supervisor or another individual designated by the Department, who has specific knowledge regarding the hours worked by the employee.	◯	◯
Supervisors ensure that employees submit leave request slips in advance for annual leave and within 3 days after return for sick leave.	◯	◯
The department keeps records of any variable work hours in order to properly compute leave earned, leave taken, compensatory time earned and compensatory time taken.	◯	◯
The Department has designated responsibility for ensuring that keys, equipment, purchasing cards and other university property items are returned when a staff member separates from the department.	◯	◯
The department has obtained authorization for any department-specific employee benefits provided and has given complete information to the payroll department for determination of the taxability of such benefits.	◯	◯
The department's payroll and human resources files are kept secure and confidential. The department has procedures to protect employees' social security numbers from unauthorized access.	◯	◯
The department's management has assigned responsibility for timely submission of new hire documentation, terminated employee documents, changes to PAF's, PAR's and other payroll and human resource documents. Failure to comply on a timely basis is noted in annual evaluations.	◯	◯

Safeguarding Assets

	Yes	No
The department has assigned equipment inventory duties to a designated individual in the department who is responsible to ensure that purchased inventoriable equipment is tagged with an inventory sticker on a timely basis and that equipment transfers and other dispositions are documented in the department's files.	◯	◯
The department has assigned an individual to maintain the list of sensitive equipment, ensuring that all such purchases are added to the list.	◯	◯
The department safeguards university assets (including computers, cameras, calculators, audio-visual equipment, etc) through use of appropriate key control and physical security measures.	◯	◯
The departmental equipment inventory manager uses the Equipment Loan Form to document university equipment removed from the department for off-campus work-related activities.	◯	◯
A designated department individual uses a checklist for each separating employee to assure that all university property items on loan to the employee (e.g., keys, purchasing cards, computers, cameras, cell phones, etc.) are returned prior to the employee's termination date or before transferring to another department.	◯	◯
The department annually performs a physical inventory of the equipment listed on the university's fixed asset listing for the department and of the equipment listed on the department's sensitive equipment list. Individuals, who are not the responsible custodians, conduct the inventory and are given sufficient time to conduct a complete and accurate inventory.	◯	◯
Surplus property is disposed of in accordance with university rules. The department's property manager ensures that items removed for disposal are removed from the equipment listing.	◯	◯

Information Technology Management

	Yes	No
Each person in the department with system access uses a unique (not shared) user ID for all log-in sessions.	◯	◯
Staff members in the department keep their computer log-in passwords secret and change them on a regular basis.	◯	◯
Department management approves each request for system access by any staff member and regularly reviews the continuing need for the level of system access assigned to each staff member.	◯	◯
The department maintains the appropriate individual/site licenses for each piece of program software that is installed or used on department personal computers.	◯	◯
To the extent possible, the department keeps important files on file servers that are maintained by the university's IT department. Files on personal computers or departmental file servers are backed up on a regular basis and are adequately protected.	◯	◯
The department has adequate guidelines for storing and encrypting important, confidential or sensitive information on personal computers. The department does not store social security number data on personal computers.	◯	◯