

ENTITY 2018 ICQs

June 30, 2018

**MONITORING**

QUESTION	YES	NO	N/A	REMARKS
<p><b>OBJECTIVE: To obtain sufficient knowledge of how the entity monitors the continued effectiveness of its internal controls.</b></p> <ul style="list-style-type: none"> <li>• <b>Perform Monitoring Activities</b></li> <li>• <b>Evaluate Issues and Remediate Deficiencies</b></li> </ul> <ol style="list-style-type: none"> <li>1. Does management review supporting documentation of allowable cost information?</li> <li>2. Do personnel, in carrying out their regular activities, obtain evidence as to the adequacy of internal controls?</li> <li>3. Is management adequately involved in designing and approving accounting system procedures?</li> <li>4. Does management take appropriate follow-up action for identified problems or weaknesses in internal controls (including matters communicated by the auditors)?</li> <li>5. Are there periodic comparisons of amounts recorded by the accounting system with physical assets?</li> <li>6. Is approval of a responsible official required for all general journal entries that are not standard entries?</li> <li>7. Is approval of a responsible official required for public distribution of financial reports and information?</li> <li>8. Are budgets required for governmental funds and proprietary funds?</li> <li>9. Are budgets submitted to administrators in accordance with an established time schedule?</li> <li>10. Are budget variances reported on a periodic basis and analyzed?</li> <li>11. Is the budget prepared and communicated in sufficient detail to provide a meaningful tool with which to monitor performance?</li> <li>12. Are budgets prepared for all significant activities regardless of whether mandated by law?</li> <li>13. Are interim financial reports prepared that compare actual results to prior results and current budgets?</li> <li>14. Are there established procedures for amendments of budgets that require adequate support for authorization of amendments?</li> <li>15. Are financial and statistical reports prepared for the governing body on a timely basis and frequently enough to be useful?</li> <li>16. Has management established policies and procedures that provide reasonable assurance of reliable accounting estimates?</li> </ol>				

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<p>17. Do senior administrators use budget variance reports, operating analyses or interim financial reports to monitor operations?</p> <p>18. Do independent personnel reconcile significant assets with accounting records and reconcile detail and control accounts at sufficiently frequent intervals?</p> <p>19. Does the entity have a functioning internal audit staff?</p> <p>a. Are internal auditors independent of the individuals or departments subject to audit?</p> <p>b. Is the scope of internal audit work reasonably comprehensive?</p> <p>c. Do internal auditors work from written programs?</p> <p>d. Are written reports issued by internal auditors on all work undertaken?</p> <p>e. Do internal auditors report the results of financial and compliance audits to senior administrators?</p> <p>f. Do internal auditors report to or have direct access to the audit committee?</p> <p>g. Is the senior official of the internal audit function elected or appointed by and reports directly to a governing body?</p> <p>20. Are all public officials and employees covered by a fidelity bond?</p> <p>21. With respect to service organizations which the entity uses to process transactions or which are part of the entity's information system:</p> <p>a. Is the contract between the entity and the service organization non-discretionary (that is, it does not give the service organization discretionary authority to execute transactions without the entity's involvement at the time of execution)?</p> <p>b. Is the service provided highly standardized and used extensively by many other entities rather than being unique and used by only a few entities?</p> <p>c. Does the entity retain responsibility for authorizing transactions?</p> <p>d. Are control policies and procedures applied to the transactions affected by the service organization's activities?</p> <p>e. Does the entity retain accountability for the transactions (does the entity maintain records supporting its assets and transactions involving those assets)?</p>				

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f. Does the service organization provide the entity with information about custody of assets, recordkeeping for assets and transactions by the organization?				
g. Is any information in the service organization's possession about the entity's assets verifiable by the entity?				
22. Do other parties outside the entity rely on the entity's financial statements?				
23. Do legislative or regulatory bodies impose monitoring or compliance requirements?				
24. Are reviews and follow-ups performed by outside parties? (i.e. grantor agencies)				