

CITY 2021 Audit Programs

June 30, 2021 or the twelve month period ended \_\_\_\_\_

**INTERNAL CONTROL ACTIVITIES**

QUESTION	YES	NO	N/A	REMARKS
<b>PETTY CASH/CASH/CHANGE FUNDS</b>				
1. Is the custodian of the petty cash and/or change fund prohibited from handling more than one fund or other cash receipts?				
2. Is the depositing, reconciling and recording of receipts/collections done by someone other than the custodian of the petty cash and/or change funds?				
3. Are responsibilities for preparing bank account reconciliations segregated from other cash receipt or disbursement functions?				
4. Are bank accounts reconciled by an employee who does not sign checks, handle or record cash?				
5. Are reconciliations reviewed and approved by a person who is not responsible for receipts and disbursements?				
6. Does an independent person approve bank wire transfers for cash?				
7. Are controls maintained over the supply of unused and/or voided checks?				
<b>INVESTMENTS</b>				
1. Is the person responsible for the detailed record keeping of investments independent of the custodian(s)?				
2. Do employees having no responsibility for custody of investments or record keeping:				
a. Confirm those held by outsiders?				
b. Reconcile documents to the investment records?				
c. Verify recorded investment earnings to determine accuracy?				
3. Is an accounting record/register maintained for each investment, including cost, description, date purchased, interest rate, maturity date and identifying number?				
4. Is a record of investment income maintained?				
5. Are all investment documents under the control of a responsible official as custodian?				
6. Are investment documents kept in a safe deposit box or vault?				
<b>LONG-TERM DEBT</b>				
1. Is the function of maintaining bond and other long-term debt records independent of any cash functions?				

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QUESTION	YES	NO	N/A	REMARKS
2. Does the City verify debt payments per the debt payment schedule were posted to the proper fund/account (as identified in the bond/note resolutions)?				
3. If paying agents are used for the payment of principal and interest, does the City receive periodic reports of principal outstanding and unclaimed interest?				
<b>RECEIPTS</b>				
1. Are responsibilities for collection, deposit preparation and reconciliation functions segregated from those for recording and accounting of cash receipts? Consider utility receipts and all other receipts.				
a. Collection/recording/accounting?				
b. Deposit preparation from recording receipts?				
c. Takes deposit to bank from recording receipts?				
d. Is daily cash balancing reviewed and approved? If yes, by whom?				
2. Is mail opened and distributed by some person other than accounting personnel?				
3. Are the responsibilities for maintaining detail accounts receivable records segregated from collections and records postings?				
4. Is an independent person entering utility rates into the computer?				
5. Are the utility rates entered into the computer reviewed and approved by someone other than the person entering the rate?				
6. Are there procedures established for the recording of receipts on bank wire transfers?				
7. Are receipts deposited intact and timely?				
8. Are all checks payable to the City deposited?				
9. Is a restrictive endorsement placed on each incoming check upon receipt?				
10. Are receipts controlled by use of pre-printed, pre-numbered receipts?				
11. Are the numerical sequences monitored?				
12. Are voided receipts properly mutilated and retained?				
13. Are voided receipts reviewed by independent person for propriety?				

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QUESTION	YES	NO	N/A	REMARKS
14. Is effective control provided over miscellaneous or unusual receipts?				
15. Do procedures exist to reconcile amounts collected to records of billings/remittances?				
16. Is an aging of receivables prepared and periodically reviewed for delinquent amounts?				
17. Are utility reconciliations prepared monthly?				
18. Are utility reconciliations reviewed by an independent person?				
<b>DISBURSEMENTS</b>				
1. Are responsibilities for the disbursement approval function segregated from those for the voucher preparation and purchasing functions?				
2. Are responsibilities for disbursement preparation and approval functions segregated from those for recording cash disbursements into ledgers?				
3. Is there adequate segregation of duties in connection with the following:				
a. Controlling blank purchase orders?				
b. Placing orders with vendors (including preparation of purchase order)?				
4. Are responsibilities for reconciling disbursements with the check register segregated from those preparing the vouchers?				
5. Is there adequate segregation of duties between the approval and payment functions as to:				
a. Approval of documents for payment?				
b. Check preparation?				
c. Check signing?				
d. Access to cash?				
e. Access to accounting records?				
f. Access to credit cards?				
6. Is final approval for payment made by a different individual than the check signer?				
7. Are all disbursements required to be supported by invoices or other documentation?				
8. Is approval of travel vouchers for all City officials and employees required?				

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QUESTION	YES	NO	N/A	REMARKS
9. Are invoices and supporting documents furnished to the check signer prior to approving the payment?				
10. Is there evidence of the payment approvals?				
11. Are credit card purchases made by authorized individuals?				
a. Are credit card receipts required and reviewed and approved for propriety?				
b. Are controls maintained over credit cards?				
12. Are supporting documents for claims effectively canceled at the time of approving the payment to prevent their reuse?				
13. Is competitive bidding used?				
14. Does processing of invoices for payment include:				
a. Comparison against purchase orders or other documents for term, prices and quantities?				
b. Comparison against receiving reports or other documents for items and quantities received?				
c. Mathematical check of footings, extensions and discounts?				
15. Are all disbursements made by check?				
16. Are only pre-printed, pre-numbered checks used and properly controlled?				
17. Are voided checks properly mutilated and retained?				
18. Are checks protected against alteration?				
19. Are checks made payable to a specific payee?				
20. Is the advance signing of checks prohibited?				
21. Is there evidence of review of supporting documentation?				
22. If a mechanical or facsimile check signer is used, are facsimile signature stamps and/or plates under proper control?				
23. Are controls maintained over the supply of unused and voided checks?				
<b>PAYROLL</b>				
1. Is there adequate segregation of duties in connection with the following functions:				
a. recording and approval of sick leave and vacation?				
b. preparing and approving payroll input?				

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QUESTION	YES	NO	N/A	REMARKS
c. preparing and approval/signing of payroll checks?				
d. preparing and distributing payroll checks?				
e. custody of undistributed warrants?				
2. Is an independent person entering payroll rates on the computer?				
3. Are the payroll rates entered on the computer reviewed and approved by someone independent of entering the rates?				
4. When a new employee is hired, is an independent person approving the entry on the computer system?				
5. Are salaries approved by the governing body for full-time and part-time employees?				
6. Are payrolls reviewed and approved by someone in authority?				
7. Is written approval required for:				
a. Employees added to or deleted from the payroll?				
b. Changes in rate of pay?				
c. Payroll deductions?				
8. Are files that support and document the above maintained properly?				
9. Do procedures exist to ensure all employees are bona fide?				
10. Do procedures exist to ensure employees do not receive more than the authorized salary payment?				
11. Are time sheets prepared by employees, and approved by appropriate personnel (supervisor)?				
a. Hourly employees?				
b. Salary employees?				
12. Do procedures exist for properly documenting and controlling vacation, sick leave and compensating time off and related balances?				
13. Are controls maintained over the supply of unused and voided checks?				
14. Are payroll checks kept in a secure place prior to distribution?				
<b>TRANSFERS</b>				
1. Are all interfund transfers properly authorized by resolution and approved by appropriate officials?				

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QUESTION	YES	NO	N/A	REMARKS
2. Are transfers in and transfers out recorded in the proper funds, in the same accounting period and on a timely basis?				
3. Are interfund transfers balanced monthly?				
4. Are all interfund transfers adequately explained and documented?				
5. Are transfers appropriately classified as transfers rather than receipts/disbursements?				
6. Is supporting documentation for interfund transfers retained?				
<b>FINANCIAL REPORTING</b>				
1. Is the final review and approval of financial reports segregated from preparation of the reports?				
2. If the monthly report is not prepared by the computer system, is it prepared and reconciled by the same person?				
3. Is there general ledger control over all assets and transactions of all departments of the City?				
4. Are procedures and policies for closing the accounts for a reporting period sufficient to ensure accounts are closed, adjusted, and reviewed on a timely basis?				
5. Do procedures exist to ensure all accounting systems have included all transactions applicable to the reporting period?				
6. Are journal entries supported by adequate descriptions and documentation?				
7. Are all journal entries reviewed and approved by an independent person, and is approval documented?				
8. Do controls exist ensure only authorized individuals can initiate entries?				
9. Do procedures exist to ensure all financial reports (external and internal; federal/state grant financial reports, etc.) are supported by either underlying accounting records or other documentation?				
10. Are there procedures to ensure all requirements for filing financial reports are met?				

CITY 2021 Audit Programs

June 30, 2021 or the twelve month period ended \_\_\_\_\_

**INTERNAL CONTROL ACTIVITIES**

List of Key Duties

Period Covered \_\_\_\_\_

Key Duties:	Not								Remarks/Weaknesses	
	Done	A	B	C	D	E	F	G		H
<b>Cash and Receipts:</b>										
Responsible for change fund										
Opens mail										
Lists money and checks received through the mail										
Compares list with recorded receipts										
Reconciles daily deposits to receipts										
Prepares deposits										
Takes deposit to bank										
Prepares reconciliation of bank to book balances at month end										
Reviews bank reconciliation										
<b>Investments:</b>										
Has custody of investments										
Responsible for investment transactions										
Approves bank wire transfers for investments										
<b>Long Term Debt:</b>										
Reconciles principal and interest payments to debt records										
Approves bank wire transfers for debt										
<b>Receipts:</b>										
Collects receipts										
Issues prenumbered receipts										
Records receipts										
Reviews coding of receipts to appropriate fund and account (source code)										
Enters utility rates on the system										
Reviews/approves utility rates entered on the system										
Tests utility rates to ensure proper utility calculations										
<b>Disbursements:</b>										
Responsible for safeguarding of checks										
Approves claims prior to submission for payment										
Approves disbursements										
Prepares checks										
Signs checks										
Mails checks										
Records disbursements										

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List of Key Duties

Period Covered \_\_\_\_\_

Key Duties:	Not								Remarks/Weaknesses		
	Done	A	B	C	D	E	F	G		H	
Reviews coding of disbursements to appropriate fund and account											
Approves bank wire transfers for disbursements											
Reviews bank reconciliation											
Responsible for long/short amounts											
<b>Payroll:</b>											
Prepares payroll accounting records											
Prepares payroll checks											
Signs payroll checks											
Distributes payroll checks											
Approves payroll input											
Approves timesheets											
Approves vacation and comp time											
Compares time records to payroll records											
Maintains vacation, sick leave and comp time records											
Reviews vacation, sick leave and comp time records											
Enters payroll wage and withholding rates into system											
Reviews/approves wage and withholding rates entered on the system											
Tests wage and withholding rates to ensure proper payroll calculations											
Approves bank wire transfers for payment of federal and state taxes and FICA/IPERS											
<b>Reporting:</b>											
Prepares monthly Clerk's report											
Reviews monthly Clerk's report											
Prepares Annual Financial Report											
Reviews Annual Financial Report											

**A. Mayor****B. Council****C. City Clerk****D. Utility Clerk****E. Deputy Clerk****F.****G.****H.**

List others (i.e., department heads, etc.)



