



BASIC INTERNAL CONTROL ASSESSMENT

This control self-assessment is a multipurpose tool to be used by departments in assessing adequacy of internal controls within their areas. The primary purpose of this tool is for departments to evaluate their internal control environment and identify areas of risk and opportunities for improvement. A strong internal control environment can better position a department to achieve compliance, financial and operational objectives

This assessment is divided into the following eleven categories:

- A. Organizational
- B. Reconciliations of Accounts
- C. Cash Receipts/Handling
- D. Procurement & Travel
- E. Property Accounting
- F. Payroll
- G. Human Resources
- H. Information Systems
- I. Minors on Campus
- J. Health & Safety
- K. Research

All questions should be answered by "Yes," "No," or "N/A." The department may use the "Describe Control/Comment" area to document the control by describing the department's business process/procedures, or why no control exists. The "Describe Control/Comment" area could be helpful for the Unit leadership when assessing the adequacy of controls.

By thoroughly considering the questions, you will be evaluating your control environment against sound business practices. The Office of Internal Audit encourages you to engage your entire team into the exercise to brainstorm for those areas of opportunity and to share the experience.

The assessment should be completed annually. The results of the basic internal control assessment should be forwarded to the Office of Internal Audit at audit@alcorn.edu for review and random verification of the responses.

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

A. ORGANIZATIONAL

- An organizational chart pictorially represents all the team players within a department. The chart shows the various working relationships between staff and supervisors. It also provides management information that may be used as a baseline for planning, budgeting and work force modeling.
- A mission statement guides the actions of the department, spells out its overall goal, provides a sense of direction, and guides decision making for all levels of management. It also serves as an indicator of the objective of the department within the overall mission of the university.
- Departmental policies and procedures, as well as individual desk-top manuals will allow employees to understand their roles and responsibilities within the department. Policies and procedures allow management to guide operations without constant intervention. Policies and procedures are the strategic link between the university’s mission and its day-to-day operation and should be reviewed and updated, when necessary.
- A website can be a valuable tool to promote/communicate to the campus community and the general public the services the department provides and how to request such services. Websites should be maintained and updated on a periodic basis to provide the most current information to its users. More than one employee (including the department head) should be trained to maintain the website.

Organizational Questions	Yes	No	N/A	Describe Control / Comment
1	The department has an organizational chart.			
2	The department has a statement of mission and objectives.			
3	Current policies and procedures manual exist for operation of the department.			
4	Current desk-top manuals exist for critical departmental operations.			
5	The department has a current website on the University website.			

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

B. RECONCILIATIONS OF ACCOUNTS

- Documentation should exist to support timely reconciliation of departmental accounts on a consistent basis. Documentation also exist to support that reconciliations are reviewed in a timely manner by the appropriate department head and/or signature authority.
- When you reconcile an account, you are proving that the transactions comprising the account balance are correct. A spreadsheet reconciliation should be maintained for each departmental budget. All account activity should be reviewed on a regular basis including payroll transactions details for accuracy, completeness, and compliance with Alcorn State University policies and procedures as well as any applicable external agency requirements.
- The purpose of the reconciliation is to track transactions as they occur and match them to transactions recorded on the monthly detail reports. This will enable the department to quickly identify any questionable transactions posted to their budget and take corrective action to ensure accurate financial condition of the department.
- Authorization, recording and reconciling of transactions should be segregated duties. Reconciler and signature authority should sign/initial and date final reconciliation to keep on file. Proper documentation is vital, because it provides supporting evidence that departmental budget reconciliations has been reviewed for appropriateness and compliance.
- Departments should be familiar with the [Budget Office Policy](#) and understand that departmental administrators and fiscal personnel are responsible for reviewing information in Banner Finance for accuracy and ensuring that sufficient expenditure budget allocation is available to support fiscal year activities. In the event that a Banner Organization goes into a deficit, the deficit must be resolved immediately. A request to transfer funds must be submitted to the Budget Office no later than the end of the occurring month.

Reconciliation of Accounts Questions		Yes	No	N/A	Describe Control / Comment
1	Documentation (hard copy/electronic file) exists to support timely reconciliation of departmental accounts on a consistent basis.				
2	Documentation (hard copy/electronic file) exists to support timely reconciliation of departmental budgets on a consistent basis.				

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

Reconciliation of Accounts Questions		Yes	No	N/A	Describe Control / Comment
3	Documentation also exists to support that reconciliations are reviewed in a timely manner by the appropriate department head and/or signature authority.				
4	Departmental account fund balances appear adequately provided for without significant deficiencies.				

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

C. CASH RECEIPTING/HANDLING

- Annual training is required for all employees responsible for handling cash.
- Proper documentation is vital, and documentation should exist to support that cash receipts/deposits are reconciled each month.
- Procedures should be established to ensure duties related to receipting, custody, and reconciliation of funds are adequately separated.
- Since cash is the most liquid asset and the most susceptible to loss if not properly controlled; therefore, all departments responsible for collecting cash, checks and credit card payments should ensure timely deposits, safeguards of funds prior to deposit. Proper segregation of duties in the cash handling process and regular reconciliation should be performed to ensure all funds have been deposited accurately.
- Independent counts must be performed periodically to help ensure the established amount is maintained in the petty cash fund at all times to reduce the risk of overages and shortages. Documentation should be maintained to support the counts, which should be available for review by auditors.
- The Accounting Department should be consulted to determine if revenue collected from sale of goods/services (i.e. t-shirt sales, book sales, facility rentals, etc.) are subject to sales tax or other taxes.

	Cash Receipting/Handling Questions	Yes	No	N/A	Describe Control / Comment
1	Documentation (hard copy/electronic file) exists to support that cash receipts/deposits are reconciled periodically.				
2	Duties related to receipting, depositing and reconciliation of funds are adequately separated.				
3	Funds are adequately safeguarded in a secure area until deposited.				
4	Checks are restrictively endorsed upon receipt.				
5	An official University pre-numbered receipt book, cash log and/or register tape is used to document cash received.				
6	The department receives payment by credit cards and is PCI compliant.				

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

Cash Receipting/Handling Questions		Yes	No	N/A	Describe Control / Comment
7	Does the department retain payers' credit card information or other personal data on any university system, PC or other electronic storage media?				
8	Petty cash funds are periodically counted by custodian and confirmed by a witness to ensure the full amount is accounted for.				
9	Petty cash funds (if used by the department) are properly established.				
10	Petty cash funds are adequately safeguarded.				
11	Documentation (hard copy/electronic file) exists to support that petty cash is reconciled periodically and deposited in a timely manner.				
12	Does the department have an external bank account?				
13	Proper procedures are in place to ensure sales tax is collected and reported accurately and timely for taxable events/goods.				

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

D. PROCUREMENT & TRAVEL

- The department should review and be familiar with all of the university purchasing policies that are available on the [University Policy Directory](#) for Financial Services.
- Segregation of duties reduces the risk of fraud waste or abuse of university assets. No one person should be in a position to both perpetrate and conceal errors or fraud; therefore, the duties for requisition and invoice input, approval and account reconciliation functions should be separated.
- Segregation of duties also apply to purchases made with a procurement card, and the department should utilize a control sheet when there are multiple users of a single procurement card. By utilizing a control sheet, the department is able to keep a record of who, when, and what was charged to the card.
- The department should be familiar with the [State Procurement Card Guidelines](#).
- The department should also be familiar with the [Travel Policies](#), which are also located on the online policy directory for Financial Services.
- If the department requires to make technology purchases, then the department personnel are aware of the guidelines pertaining to technology purchases.

Procurement & Travel Questions		Yes	No	N/A	Describe Control / Comment
1	Department has reviewed and adheres to the University purchasing policy.				
2	Invoice and requisition input, approval and budget reconciliations has been separated within the department.				
3	Department has reviewed and understands the university procurement policies and procedures including the use of procurement cards.				
4	All procurement cards are kept in a secure area such as a locked drawer or filling cabinet while not in use.				

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

Procurement & Travel Questions		Yes	No	N/A	Describe Control / Comment
5	Procurement card receipts are verified that no sales tax is included nor were cash advances made.				
6	Department receipts for procurement card purchases along with the order log and signed statement is sent to the appropriate official in a timely manner.				
7	Department uses a control sheet when there are multiple users of a single procurement card.				
8	Department adheres to University travel policies and procedures.				
9	All travel advances are cleared in a timely manner.				
10a	Department utilizes the Alcorn State University Visa Travel Card.				
10b	If "YES" to Question 10a, has the VISA Travel Card User Guide been reviewed and followed?				
11a	Has the department entered into a contract with a third party?				
11b	If "YES" to Question 11a, has the contract been approved and signed by an authorized University personnel.				
12a	Does the department use the University dining services?				
12b	If "YES" to Question 12a, has a purchase order been issued prior to catering services being rendered.				

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

Procurement & Travel Questions		Yes	No	N/A	Describe Control / Comment
13	Adequate documentation is submitted by the department to support expenditures.				
14	Travel forms have original and appropriate signatures and include adequate documentation for reimbursement.				
15a	Does the department utilize the Comdata Fuel card?				
15b	If "YES" to Question 15a, are fuel statements reconciled to vehicle logs for reasonableness.				

E. PROPERTY ACCOUNTING

- The department should monitor and conduct in-house audits of their property. The fixed asset inventory database is maintained by the Director of Property Management. The department should conduct self-inventory audits of university property for which they are responsible as required by the university. This reduces the risk of missing items. Should the department discover items are missing, they must report it to the proper authorities immediately. The department should make every effort to locate the items.
- A hand receipt should be kept on file for any property that is removed off campus. The hand receipts are only valid for one year and should be updated annually.
- Inventory over a certain threshold should be properly identified with an inventory tag and added to the department's inventory list.
- A department record of keys and/or access cards issued and extra keys/cards kept on hand should be maintained for control purposes. Access to facilities should be limited and restricted to only those who require access. The department should be familiar with the [Key Control Policy](#).
- Departments that utilize university-owned vehicles understands and adheres to the [Transportation Policy](#).

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

Property Accounting Questions		Yes	No	N/A	Describe Control / Comment
1	Documentation (hard copy/electronic file) exists to support that the department performs/verifies inventory as per Property/Inventory policies and procedures.				
2	Documentation exists to support the use of <i>Hand Receipts</i> for the removal of property off campus.				
3	All <i>Hand Receipts</i> are current and kept in a separate file.				
4	Old, useable property is documented on a transfer/obsolescence form and properly salvaged in a timely manner.				
5	Equipment purchases of \$1,000 or more (and all exception items) are visibly tagged with a university inventory number and included on the department's inventory list.				
6	The department maintains an accurate record of building an office keys/access card.				
7a	Does the department have a university-owned vehicle?				
7b	If "YES" to Question 7a, has the department reviewed and adheres to the Department of Transportation policies and procedures.				
8	Documentation (hard copy/electronic file) exists to support the proper use of mileage logs for each university-owned vehicle within the department/unit.				

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

F. PAYROLL

- Time keeping documentation records actual hours worked and leave time. Employees should be familiar with utilizing the electronic time sheet that is available on Banner Online Services.
- To ensure accountability and accuracy, time keeping records should be completed and approved by the supervisor. Management should also refer to the [Fair Labor Standards Act](#) (FLSA) for guidance. To ensure that personal and sick leave is accurately reflected in the system, it is important that the information be reported in a timely manner. Department should be familiar with all [Payroll/HR Policies](#) related to but not limited to Compensatory Time and Overtime Pay, Wage and Salary Policy, Timekeeping and Reporting Policy.
- Payroll reports should be generated, reviewed and reconciled to the time & attendance reports to verify the accuracy of the payroll charges.

Payroll Questions	Yes	No	N/A	Describe Control / Comment	
1	All employees (hourly, exempt and non-exempt) report leave time.				
2	Leave usage is approved timely by department head/signature authority for hourly, exempt and non-exempt employees.				
3	Time sheets (electronic file) are maintained by the department for all hourly and non-exempt employees.				
4	Time sheets record actual hours worked, leave time, and compensatory time (hourly and non-exempt)				
5	Time sheets are signed and dated (electronically) by employee after the time period being reported.				
6	Time sheets are signed and dated (electronically) by supervisor after the time period being reported.				

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

Payroll Questions		Yes	No	N/A	Describe Control / Comment
7	Documentation exists to support proper approval of overtime pay (hourly and non-exempt employees)				
8	Department follows university overtime guidelines (hourly and non-exempt employees)				
9	Student employees are not working more than the maximum number of hours allowed.				
10	Documentation (hard copy/electronic file) exists to support monitoring, reconciliation, and approval of compensatory time and usage (exempt and non-exempt)				
11	Payroll duties such as entering payroll and approving are adequately separated.				
12	Documentation (hard copy/electronic file) exists to support that time sheets are reconciled to the payroll time and attendance reports.				
13	Documentation (hard copy/electronic file) exists to support that payroll time and attendance reports are reconciled to the Payroll Distribution Reports (PDR) in Banner.				
14.	Documentation (hard copy/electronic file) exists to support that PDRs are reconciled to Payroll Vouchers.				
15.	Departmental procedures are in place to help ensure that termination documents are processed in a timely manner to stop payroll.				

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

G. HUMAN RESOURCES

- Procedures should be in place to help ensure that termination documents are processed, and appropriate university and departmental personnel are notified in a timely manner to stop payroll, cancel computer access, retrieve keys, access cards, university equipment, and etc.
- Annual performance evaluations should be conducted for all employees and results submitted through the proper channel. It is beneficial to both the employee and their supervisor to review and discuss the job performance of the employee. Management should refer to the university policies and procedures for guidance.
- Employees should be aware of the [HR Policies](#) not limited to Background Screening Policy, Code of Conduct, Clearance Requirements, and Confidentiality Policy.
- Departments should also be aware of the [Conflicts of Interest Policy](#) as well as the obligation to disclose outside employment annually.

	Human Resources Questions	Yes	No	N/A	Describe Control / Comment
1	Documentation exists to support adequate background checks results.				
2	Documentation exists to support adequate training opportunities for employees.				
3	Policies & Procedures are documented and communicated to employees.				
4	Adequate procedures are in place to safeguard confidential information (financial, student records, etc.)				
5	Annual performance evaluations are conducted for all employees and results are submitted through proper channels.				
6	Documentation exists to support compliance with Federal and State employment guidelines.				

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

Human Resources Questions		Yes	No	N/A	Describe Control / Comment
7	Departmental procedures are in place to help ensure that terminations documents are processed, and appropriate university and departmental personnel are notified in a timely manner to stop payroll, cancel computer access, retrieve keys, access cards, university equipment, and etc.				
8	Documentation exists to support university clearance requirements are followed.				
9	Conflict of interest forms as well as requests for permission to engage in outside employment if applicable are completed annually.				

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

H. INFORMATION SYSTEMS

- Department staff has read and understands the [Information Technology Services Policies](#) regarding the acceptable use policy for computers and controls should exist to ensure the department computers/systems are not used to violate copyright laws.
- The department should be aware of [Data Disposal Policy](#) and understands the proper transfer, disposal, and or/reuse of computers and other digital storage media.
- Passwords are an important aspect of computer security and are considered the front line of protection for user accounts. Access to computers, servers, and systems that contain confidential and/or critical data must be restricted through the use of unique user ID's and passwords as well as firewalls. A poorly chosen password may result in the compromise of ASU's entire network; therefore, the department should also be aware of the [Password Policy](#) and understand that everyone is responsible for safeguarding the passwords for his/her computing accounts, which should not be shared or disclosed with anyone.
- The department should be aware of the [Personally Identifiable Information \(PII\) Policy](#) and understand that the responsibility for ensuring reasonable and appropriate administrative, technical, and physical safeguards are established to protect the integrity, confidentiality, and security of all PII irrespective of its source, ownership, or the medium used to store it.
- Information security training should be completed annually so that everyone is knowledgeable of the best ways to help protect the university from malicious attacks and prevent possible security breaches. Employees should also be encouraged to lock their computers prior to stepping away from their computer.
- Departments should encrypt files when transmitted or loaded on portable storage devices as well as used cross-cut or high security shredders for discarding sensitive information.
- Documentation (i.e. signed confidentiality agreements, memos, information security training certificates) should be maintained to substantiate employees have been informed and educated regarding their responsibilities of safeguarding confidential information.

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

Information Systems Questions		Yes	No	N/A	Describe Control / Comment
1	Routine backup procedures have been established for departmental computers and servers.				
2	Department is aware and adheres to the acceptable use policy.				
3	Only officially supported software is used in the department and licenses are current.				
4	The latest anti-virus software and operating system patches are installed on all departmental computers and servers.				
5	Access to university records are restricted through the use of unique user ids and passwords.				
6	Adequate controls exist to secure sensitive data, as well as equipment, against theft or physical damage.				
7	Department has reviewed and adheres to the Personally Identifiable Information (PII) Policy, and have safeguards in place when reviewing or saving data containing sensitive information such as taxpayer identification numbers, driver's license numbers, financial account numbers, etc.				
8	Employees have read and understand the Password Policy.				
9	The department is aware of the Data Disposal Policy and follows the proper steps for removal and disposal of information and equipment.				

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

Information Systems Questions		Yes	No	N/A	Describe Control / Comment
10	Does the department utilize special software to conduct university business, other than Banner, PeopleAdmin, or Microsoft Office?				
11	If "YES" to Question 10,				
	a. Does the department have a valid executed contract with vendor?				
	b. Does CITS assist in the servicing of this software?				
	c. Does a disaster recovery plan to recover critical data saved within the software exist?				
	d. Does a business continuity plan to continue operations under adverse conditions (i.e. interruption from natural or man-made hazards) exist?				
12.	Documentation exists to support completion of information security training all personnel.				

I. MINORS ON CAMPUS

- ASU is dedicated to the welfare and safety of all minors who visit our campuses to participate in university-related programs and activities or any other event involving minors on ASU campuses.
- It is important to promote a safe environment for minors by fostering a university culture that is committed to preventing, recognizing, reporting, and addressing child and child sexual abuse.
- Employees should be familiar with the ASU [Camp Policy](#) as well as the [Title IX Policies](#).

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

Minors on Campus Questions		Yes	No	N/A	Describe Control / Comment
1	Does the department offers, sponsors, or approve programs or activities involving minors.				
2	If "YES", the has the department read Alcorn Standard Operating Camp Policy (ASOP Policy #2017-02) and adhere to the policy?				

J. HEALTH & SAFETY

- Safety policies and procedures should be established to reduce and prevent injuries and illnesses.
- The department should be of the proper disposal for hazardous material and understand the [Waste Removal Policy](#).

Health & Safety Questions		Yes	No	N/A	Describe Control / Comment
1	Reasonable safety policies and procedures have been established for classrooms, labs, and workplaces in order to reduce and prevent injuries and illness.				
2	Does anyone in the department use, ship, or transport any type of hazardous materials such as chemicals, bio-hazardous or radioactive materials and radiation generating devices?				
3	All users of hazardous materials have been trained.				
4	Hazardous waste is disposed of through the proper channels.				

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

K. RESEARCH

- Departments should be familiar with the [Sponsored Programs Policies](#) and should be knowledgeable about Research Misconduct as well as Financial Conflicts of Interest in Research.
- Departments should be knowledgeable of the Time & Efforts Reporting Requirements as listed in 13.28 of the [Grants & Contracts Policy](#).

	Research Questions	Yes	No	N/A	Describe Control / Comment
1	A Sponsored Programs Proposal Approval Form is completed for all proposals with appropriate approval signatures.				
2	Research involving human subjects has been formally approved by the Institutional Review Board (IRB).				
3	Research involving animals has been formally approved by the Institutional Animal Care and Use Committee (IACUC).				
4	All faculty, research scientist, etc. complete a Financial Conflict of Interest (FCOI) disclosure form annually.				
5	The department is familiar with the Research Misconduct Policy.				
6	The department routes all required documents to the Office of Research & Sponsored Programs in a timely manner.				
7	The department is aware of its post-award administration responsibilities.				
8	Only eligible individuals serve as a Principal Investigator (PI) or Co-PI.				

Basic Internal Control Assessment

Department: _____

Date: _____

Name: _____

Phone & email: _____

Research Questions		Yes	No	N/A	Describe Control / Comment
9	Technical reports for externally funded projects are maintained per the retention period set by the funding agency.				
10	Does any external funded research involve program income?				
11	Principal Investigator and fiscal staff are provided training regarding compliance with University policies and procedures and 2 CFR 200 (Uniform Guidance) related to sponsored programs.				
12	Research Director approves chart of account prior to submitting to Grants & Contracts.				
13	Grants Accountant approved the chart of account before setting up new projects.				
14.	Time & Effort Reports are signed by the employee and by someone with suitable means of verifying that the work was performed.				