

Internal Controls Questionnaire (ICQ)

Review the section entitled [Internal Controls](#) before completing this questionnaire. The lists of internal control questions below do not represent a complete and comprehensive listing of all possible internal controls. They reflect basic controls that all departments should have in place -- they are not mission specific. For an assessment of internal controls specific to your department's mission, complete the steps outlined in the *Risk Assessment Survey* section of [Self-Assessment](#).

A "Yes" answer to the following questions indicates good internal controls are in place and/or practiced. A "No" answer highlights those areas where improvements should be made to improve internal controls. An "NA" indicates the control is not applicable to this department, and "NS" indicates you're not sure about the status of the control in question.

Control Environment		Y	N	NA	NS
1.	Has management established a mission statement, set realistic and measurable goals, and developed plans to meet its objectives?				
2.	Are faculty and staff members familiar with the policies contained in the University Handbook ?				
3.	Does management in your department exhibit high ethical values, personal and professional integrity, and compliance with University policies? See the University's Code of Ethics, Conflict of Interest, and other General University Policies and Procedures in the University Handbook .				
4.	Do all staff members know how to report ethical and fiscal misconduct? See Fraud Policy Statement at F.39 in USI Handbook, and Fraud Hotline				
5.	Do faculty and staff have the knowledge, training, and skills necessary to perform their jobs competently?				
6.	Does the department have the time, tools, and resources to effectively accomplish its mission and objectives?				
7.	Are employee morale and employee turnover rates at an acceptable level?				
8.	Does the department have a business continuation plan that addresses the absence of key employees?				
Provide an explanation or comment about any "N", "NA", or "NS" responses above:					

General Operating Controls		Y	N	NA	NS
1.	Does the department have documented policies and procedures for its primary operational processes?				
2.	Are departmental policies and procedures relevant, adequate, effective, and current?				
3.	Is someone in the department responsible for performing a monthly review/reconciliation of its Banner accounts and reports for accuracy?				
4.	Are unreconciled or unrecognized financial transactions researched and corrected in a reasonable period of time?				
5.	Is the staff performing the reconciliation separate from the staff initiating and finalizing transactions?				
6.	Do departmental financial managers know who to contact for budget and accounting questions or problems?				
7.	If departmental fund deficits are anticipated, are appropriate levels of management notified timely and appropriate corrective action taken?				
8.	Does the department have backup procedures for key processes?				
9.	Does the department have a document retention plan?				
Provide an explanation or comment about any "N", "NA", or "NS" responses above:					

Cash Controls		Y	N	NA	NS
1.	If the department has petty cash funds, is one person assigned custodial responsibility for that fund?				
2.	Are petty cash disbursements supported by original receipts which verify the amount disbursed?				
3.	If the department has petty cash funds, are those funds counted, reconciled, and replenished on a monthly basis by someone other than the custodian?				
4.	If the department has revenue-producing activities, are there procedures to establish accountability for cash and related items immediately upon receipt? Examples: cash register, pre-numbered receipts, checks restrictively endorsed "for deposit only" to the University				
5.	Are cash and related items physically safeguarded against theft and loss?				
6.	Is the employee who is responsible for preparing the cash receipts deposit separate from the employee responsible for reconciling cash to department accounts or recording sales in department records?				
7.	Are cash shortages identified, analyzed, recorded, and reported?				
8.	Do you deposit income within one day of receipt?				
9.	Does someone independent of the cash receipting process review and approve voids and refund transactions?				
Provide an explanation or comment about any "N", "NA", or "NS" responses above:					

Expenditure Controls		Y	N	NA	NS
1.	Are departmental funds used only for purchases of goods or services that support the department's mission?				
2.	Are the duties for authorizing purchases, receiving goods, approval of invoice payments, and reconciliation of departmental operating reports separated between two or more employees?				
3.	Are all purchases made using a USI procurement card reviewed and approved by the dean/director/vice president as appropriate?				
4.	Does departmental management periodically review the list of departmental cardholders and their limits to determine if changes need to be made?				
5.	Are purchase requisitions initiated and approved by employees specifically authorized to perform this task?				
6.	Are the purchase requisitions initiated and approved <u>prior</u> to the actual purchase?				
7.	Is management familiar with USI's Purchasing Policies regarding dollar thresholds, when to get comparative bids, and other important purchasing guidelines?				
8.	Are purchase requisitions, travel authorizations, and other payment requests compared to the departmental budget balance to ensure the expenses are within the budget limits?				
9.	Do invoices receive appropriate supervisory approval before payment?				
10.	Are telephone bills, copy machine logs, and fax logs reviewed to ensure that personal use is kept to a minimum?				
11.	Are the purchase, storage, and issuance of supplies properly controlled to prevent over-purchasing, pilferage, deterioration, and damage?				
Provide an explanation or comment about any "N", "NA", or "NS" responses above:					

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Payroll		Y	N	NA	NS
1.	Are time sheets approved by a supervisor who has direct supervisory responsibilities over the person whose time is being approved?				
2.	Does the employee designated to collect the departmental time sheets and complete the payroll recap sheet ensure that all time sheets are properly completed, accurately totaled, and signed by the appropriate supervisor?				
3.	Are all payroll documents completed in ink so that any changes can be detected?				
4.	Does departmental management review, sign, and date the payroll recap sheets to document that staff are paid according to wage contracts and terminated employees are not being paid?				
5.	Do you notify the HR/payroll department immediately of employee terminations – including student worker terminations?				
6.	Are departmental payroll expenditures reviewed by management for accuracy and compared to budgeted amounts?				
7.	Are departmental procedures in place to ensure that overtime hours are planned or controlled so as not to become excessive?				
8.	Are departmental procedures in place to ensure that leave taken is properly approved and planned so as not to create a hardship on others' workloads?				
9.	Are departmental procedures in place to ensure that student employees do not average more than 20 work hours a week while enrolled in classes?				
10.	Are all staff members familiar with USI's policies regarding time off, compensation, and payroll procedures in sections D and E in USI Handbook?				
Provide an explanation or comment about any "N", "NA", or "NS" responses above:					

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Information Technology		Y	N	NA	NS
1.	Are all staff members familiar with USI's data communications and computer use policies ?				
2.	Are employees required to create strong, effective passwords ?				
3.	Are passwords safeguarded from unauthorized access and changed every 60 days or less?				
4.	Are employees reminded to back up their current work often and to back up the data on all directories on a regular basis?				
5.	Do employees log off of their computers, or lock the screen with a password protected screen saver, when they will be away from their computers for any extended amount of time?				
6.	Are only USI mission-related activities being performed on the computers for which you are responsible?				
7.	Are the environmental variables (e.g., temperature, humidity, power) and the physical location where your computer equipment resides properly controlled and secured?				
8.	Are all copies of software used by the department appropriately licensed?				
9.	Is there a process in place to authorize and control the use of laptops or other data equipment off the premises?				
Provide an explanation or comment about any "N", "NA", or "NS" responses above:					

The End!