Sample Internal Control Assessment Questions

County Clerk

***Summary: The following assessment questions are divided into three parts to address the changes in T.C.A. 9-18-102(a): (I) Whether obligations and costs of the operation are in compliance with applicable law; (II) Whether county funds, property and other assets that are designated/assigned to the county clerk’s office are safeguarded against waste, loss, unauthorized use or misappropriation; and (III) Whether revenues and expenditures in the county clerk’s office fee account and county general fund (as it relates to the county clerk’s office) are properly recorded and accounted for to permit the preparation of accurate and reliable financial and statistical reports and to maintain accountability over the assets.***

1. Whether obligations and costs of the operation are in compliance with applicable laws

General:

1. Does the office have a written organizational chart?
2. Do the office employees have written job descriptions?
3. Does the office have a written, updated personnel policy and is this provided to the office employees?
4. Does the office have a copy of the adopted county ethics policy available for the official and the office employees?

Physical security of the office:

* 1. Who has a key to the county clerk’s office?
  2. Who has a key to the main door of the courthouse?
  3. How often are the locks changed?
  4. Is the office secured with cameras?
  5. Is there a vault in the office?
  6. When is it locked?
  7. Who has access to the vault?

Purchasing:

* 1. What is the adopted county purchasing policy?
  2. Who fills out purchase order requisitions?
  3. Who coordinates with the county finance department for purchase orders?
  4. How is it known that funding is available?
  5. Who has a list of approved vendors?
  6. Who authorizes purchase orders?
  7. Who places orders?
  8. Who verifies the goods received?
  9. Who signs the invoice?
  10. Who gets the invoice?
  11. Are charge accounts allowed at local stores?

Store cards:

* 1. Does the clerk’s office have a store (e.g. Walmart, Lowes) card?
  2. If not, does it have access to other options?
  3. Who is authorized to use the store card in the county clerk’s office?
  4. What must be filled out and sign before the card is checked out?
  5. What is returned after the purchase to county finance?
  6. How is unspent money on the purchase order dealt with?

Contracts:

* 1. Who signs all county contracts dealing with purchasing?
  2. How are contracts over one year in length approved?
  3. How is contract compliance ensured for the county purchasing policy?

Emergency purchases:

* 1. Who coordinates with the county finance department in the event of emergency purchases?
  2. What policy addresses emergency purchases?

Payroll:

* 1. How is payroll authorized?
  2. How much money in salaries is the clerk’s office authorized to hold?
  3. Who is in charge of making sure the office is in compliance with that policy?
  4. How often is this checked?
  5. What happens to the excess funds?
  6. Who processes the county clerk’s office payroll?
  7. How does the clerk’s office reimburse the county finance department?
  8. Does the county clerk provide comp time or overtime?
  9. What type of account is used to pay employees?

1. Whether county funds, property and other assets that are designated/assigned to the county clerk’s office is safeguarded against waste, loss, unauthorized use or misappropriation?

Fee account and office cash operations:

* 1. What system does the clerk’s office use for receipting and accounting?
  2. What type of checkbook is used in the office?
  3. Who is authorized to sign checks?
  4. How is the system backed up?
  5. Who can receipt payments?
  6. Are all individuals that are authorized to receipt and/or have access to county funds covered by the county blanket liability bond/insurance? This would include interns, temporary and seasonal employees, part time workers from a human resource agency.
  7. How many cash boxes are used in the office?
  8. Do multiple people use the same cash box?
  9. How often are the cash boxes counted and balanced?
  10. What happens to overages?
  11. Who investigates large shortages?
  12. How are small shortages dealt with?
  13. Who prepares bank deposit slips and verifies the deposit matches with the total daily cash/check report?
  14. Who takes the deposit to the bank?
  15. How often is this done?
  16. Who makes the deposit in an absence?
  17. Where are cash boxes put at the end of the day?
  18. What is the authorized amount for cash on hand?
  19. Who writes checks?
  20. Are the checks official and pre-numbered?
  21. How are they recorded?

Daily bookkeeping procedures:

* 1. Who posts daily activity to the general ledger?
  2. Are each day’s receipts, invoices and transactions closed?
  3. Is the daily deposit entered in the ledger?
  4. Is an end of day trial balance printed and reviewed each day?
  5. Are all written checks printed and reviewed each day?

Monthly bookkeeping procedures:

* 1. Who performs monthly closing entries and prepares month end general ledger reports?
  2. Who reviews the monthly bank statement to ensure that deposits are being made with the bank as required?
  3. Who reviews checks to ensure disbursements were sent to approved vendors/agencies?
  4. Who reconciles the bank statement to the ledger?
  5. Who prepares and prints reports to other agencies?
  6. How are they prepared (printed/manual)?
  7. How are clerk commissions posted?
  8. Who reviews and signs all month end reports?
  9. Who receives a copy of the adopted office’s budget from the county finance or mayor’s office?
  10. How the clerk’s office is kept up to date in terms of the year to date budget to actual expenditures for the office? Does the office receive a monthly report from the county finance or mayor’s office? Who in the clerk’s office reviews these monthly reports?
  11. Who reviews the bank statement to ensure all reconciling items are legitimate?
  12. Who authorized ACH payments?
  13. Who reviews monthly audit reports?

Annual bookkeeping procedures:

* 1. Who prepares the annual financial report?
  2. Who signs this report?
  3. Who receives copies of the report?
  4. Who prepares year-end leave accrual report?
  5. Is this report filed with the county finance/mayor’s office?

Plate, title stock, and detail inventory:

* 1. How are shipments entered?
  2. How does the office keep up with the inventory?
  3. Who does it?
  4. Are inventory reports sent to the state department of revenue?
  5. Who sends them?
  6. Who reports missing stock?
  7. In the event of missing stock, is a fraud reporting form sent to the state comptroller’s office?

Inventory of office equipment:

* 1. Who keeps an updated inventory of all computer equipment?
  2. Is a copy kept in the disaster recovery plan?
  3. Where is the disaster recovery plan kept?
  4. Who is involved in an annual physical inventory of the computer equipment?
  5. Does the office have any assets that meet capitalization thresholds for external financial reporting?

Material Expenditures - Line Items

Payroll:

* 1. How does the office protect itself against fraud?
  2. How do employees record their time?
  3. Who approves employees’ time records?
  4. Are employees allowed to work off the clock?
  5. Who maintains an accrual of vacation and sick time for employees?
  6. Who runs an employee timecard total and summary sheet for each person?
  7. How often is this done?
  8. Who reviews it?
  9. Who reviews the reimbursement report from the county finance department?
  10. Who disburses the reimbursement check?

Maintenance agreements:

* 1. Are contracts on file for maintenance/support for the computer system and copy machine?
  2. Does anyone review the invoices from vendors prior to forwarding them to county finance?

1. Whether revenues and expenditures in the county clerk’s office fee account and county general fund (as it relates to the county clerk’s office) are properly recorded and accounted for to permit the preparation of accurate and reliable financial and statistical reports and to maintain accountability over the assets.

Revenue and expenditures:

* 1. Who is responsible for coordinating with the trustee office to ensure all receipted funds are coded to the correct revenue line items and earmarked fees for non-payroll items are coded to the correct object code and expenditure budget?
  2. Who is responsible for end of the year unspent earmarked fees?
  3. How does the office know its expenditures are accurate?
  4. Who checks it?