**Sample Internal Control Assessment Questions**

**Circuit/General/Juvenile/Criminal Court 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 clerk’s office are safeguarded against waste, loss, unauthorized use or misappropriation; and (III) Whether revenues and expenditures in the clerk’s office fee account and county general fund (as it relates to the 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***

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 court 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?

Purchase orders:

* 1. What is the adopted county purchasing policy/purchasing law?
  2. Who is authorized to originate a purchase order requisition?
  3. How does the office verify sufficient funding is available in the line item for the purchase?
  4. Where are purchase orders submitted? (County finance/mayor)?
  5. How does the office verify the vendor is on the approved vendor list?
  6. Who issues the purchase order authorizing the purchase to be made?
  7. Who is authorized to actually place the order with the vendor for the clerk’s office?
  8. Who verifies the goods received are what are itemized on the invoice or bill of lading?
  9. To whom are the reviewed purchase orders submitted for payment?
  10. What procedure is taken when all of the items listed on the invoice are not delivered? (e.g., out of stock)
  11. Is the office authorized to utilize charge accounts (blanket purchase orders) at local stores?
  12. If authorized to utilize charge accounts, what vendors are approved?
  13. To whom are the reviewed, blanket purchase orders submitted for payment?
  14. How is the office invoiced for blanket purchase orders (e.g., upon purchase, weekly, monthly, etc.)?

Store cards:

* 1. Does the court clerk’s office have an assigned store (e.g. Walmart/Lowes) card?
  2. If so, where is it maintained?
  3. If not, does the office have access to another store card (e.g., county finance)?
  4. Is the store card used for blanket purchases, or is a purchase order required prior to the purchase?
  5. Who is authorized to use the store card?
  6. What happens to any unspent amount on the purchase order (do you liquate it with county finance/mayor’s office)?

Contracts:

* 1. Who is authorized to sign all county contracts dealing with purchasing for the clerk’s office?
  2. Do any contracts require county legislative body approval (longer than a year in length)?
  3. Is there a requirement for the county attorney to review proposed contracts (including lease agreements) before signing?
  4. If there are capital leases for equipment (e.g., copiers), do the county commission and office of local finance approve these prior to signing?
  5. Who serves as the contract monitor for the clerk’s office?
  6. How is the contract monitored for vendor compliance?

Emergency purchases:

* 1. Who coordinates with the county finance department/mayor’s office in the case of emergency purchases?
  2. Does the county have an adopted policy that addresses emergency purchases?
  3. How are emergency purchases documented to ensure compliance with purchasing policies?

Payroll:

* 1. If a salary suit is not filed, who prepares the letter of agreement to authorize payroll?
  2. Who is responsible for verifying that the original budget/budget amendments authorized by the county commission are posted to the clerk’s monthly budget to actual reports accurately?
  3. Who is responsible for identifying anticipated budget overages before they occur?
  4. Who in the clerk’s office is responsible for notifying the finance/mayor’s office about these overages in a timely manner?
  5. Who is responsible for verifying the office is in compliance with maintaining only three months’ worth of salaries in the fee account (if excess fee office)?
  6. What is the procedure after the anticipated payroll overages are reported?
  7. How are payroll payments made to employees? Direct deposit, check?
  8. Do any employees receive compensatory time? Is the amount of accrued compensatory time within wage, hour and personnel policy limits?

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

Cash with fee account:

* 1. What type of system (computerized/manual) is used for receipting and accounting?
  2. Are all the checks used in the office pre-numbered and official checks?
  3. Who is authorized to sign checks?
  4. Does the office have a disaster recovery plan?
  5. How often is it backed-up?
  6. Where is it stored (off-site)?
  7. Who is authorized to enter receipted payments?
  8. 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.
  9. Do deputies who receipt funds maintain separate cash boxes? How are the boxes secured?
  10. How often are the boxes counted and balanced?
  11. Is there a county commission resolution to authorize the current amount of cash on hand (if the clerk did not place personal funds in the cash boxes when they were elected)?
  12. How is the correct cash on hand/daily receipt amounts in the boxes verified?
  13. Does the office have an adopted overage policy? What is it?
  14. Are all employees aware of these procedures?
  15. How are trivial shortages in the cash boxes handled?
  16. Who investigates large shortages?
  17. How are the cash boxes secured during lunch and bathroom breaks?
  18. Who counts and balances the cash boxes at the end of each day?
  19. How does the office ensure the balances are accurate?
  20. Where are the cash boxes stored at the end of the workday?
  21. How often are deposits made?
  22. How are deposits verified to be accurate and intact?
  23. Who is authorized to prepare bank deposits?
  24. Who approves/signs disbursements and reports?
  25. Who verifies the pre-check register?
  26. Who is authorized to write checks?
  27. How many signatures are required on a check?
  28. Who is authorized to sign the checks?
  29. Who is responsible for updating the check signing (authorization) card at the bank?
  30. Who performs daily, monthly and yearly accounting functions for the general, child support, investments, court funds and tax funds?
  31. Who maintains balance reports, works with the other court deputies to balance cash drawers daily, verifies all collected funds are receipted and works up the daily deposit?
  32. Does anyone recount the collected funds? Who?
  33. How is it verified that the collected funds match with the daily receipt total report?
  34. Who takes the deposit to the bank?
  35. Who takes the deposit in the absence of the designated person?
  36. Who verifies the deposit was made intact with what was posted in the accounting records?
  37. Who ensures that all official funds in the bank over FDIC amounts are properly collateralized if the bank does not participate in the LGIP?
  38. Who reviews/analyzes accounts due to overpayments or other discrepancies, researches partial or duplicate payments, makes appropriate adjustments to accounts, and processes paperwork to issue refunds as appropriate?
  39. Who is notified of any discrepancies or adjustments made along with the proper footnote or journal entry? Who notifies this person?
  40. Who reviews any journal entries made during the month and the month end reports?
  41. Who reviews TNCIS audit logs monthly to ensure any adjusted entries or voided receipts are legitimate?
  42. Who prepares the various monthly and yearly financial reports including I.R.S., Tennessee Department of Revenue, etc.?
  43. Who prepares all financial reporting forms or other documentation, compiles data for report preparation, submits reports/forms to appropriate individuals as well as reconciles monthly budget reports?
  44. Who is responsible for collecting the required I.R.S. information from the vested party(s), individual(s) or attorney(s) receiving a taxable settlement and/or compensation?
  45. Who reviews, calculates and prepares all appropriate I.R.S. forms?
  46. Who reviews these reports and signs them before they are forwarded to applicable agency?

Investments:

* 1. Where are all court funds placed?
  2. Where are funds held for litigants without a specific court order placed (if applicable to your judicial district’s rules/procedures)?
  3. Where is the interest accrued from these funds placed?
  4. What type of investments are authorized?
  5. Who is contacted for questions pertaining to the legality of a potential investment?

Delinquent tax sales (if applicable):

* 1. Where are sales records kept?
  2. Are supplemental payments made to court deputies for work performed?
  3. Who conducts and documents the tax sale?
  4. Who verifies authority for and the accuracy of documentation related to the sale?
  5. Who is authorized to issue receipts?
  6. Who posts receipts to accounting records?
  7. Who verifies the transaction was properly recorded?

Unclaimed funds:

1. Who is responsible for performing an in-depth review of the docket trial balance and the outstanding checklist each year to identify any unclaimed funds greater than one year old?
2. Who prepares due diligence letters for all old, unclaimed funds?
3. Who reviews and signs these letters?
4. What is done with unclaimed funds after due diligence letters have been mailed?

Litigation taxes and fees:

* 1. Who reviews the litigation taxes and fees that the office charges annually and coordinates with the AOC to ensure what is being assessed on each case is in compliance with the law and up to date?
  2. Who maintains a folder with copies of certified county commission resolutions authorizing all county optional litigation taxes (e.g., courthouse renovation) and fees (archives, etc.) that the office collects?
  3. Does the clerk utilize the flat fee system?
  4. Who in the office keeps up with what the state files?
  5. Who submits a reimbursement request to the State Department of Human Services?
  6. Where are any unpaid taxes and fees turned over for collection (third party collection agency)?

Payroll:

* 1. Do all employees have an updated personnel file?
  2. Who maintains the files?
  3. Are employees allowed to work off the clock? Who is responsible for ensuring that employees do not do this?
  4. How often (weekly, bi-weekly, monthly) are employees paid?
  5. Who is responsible for running timecard totals for each employee and preparing payroll?
  6. How are employees paid (direct deposit, manual check)?
  7. Who prepares and submits payroll tax reports each pay period and completes quarterly 941 forms and state unemployment returns (if clerk does own payroll)?
  8. Who reviews and signs these returns prior to them being mailed?
  9. What is the office policy for correspondence from the IRS?
  10. Who writes a check to the finance department for the employee insurance deductions at the end of the month after monthly deductions are reviewed (if excess fee and finance does administrative duties for payroll)?
  11. Do all employees review and authorize their payroll deductions each year? Is this authorization documented and maintained in the personnel files?
  12. How is the office protected against ghost employees and inaccurate payroll disbursements?

1. **Whether revenues and expenditures in the court clerk’s office fee account and county general fund (as it relates to the court 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**

Expenditures and revenues:

1. Who is responsible for coordinating with the county trustee’s office to ensure all receipted funds are coded to the correct revenue line item each month?
2. Who coordinates with county finance to ensure purchase orders for non-payroll items are coded to the correct object code and expenditure budget?
3. Who reviews the accrued leave liability for the employees at the end of the fiscal year and gives a copy to the finance department?
4. Who reviews the year-end trial balance, closing entries and bank reconciliations?
5. Where is this information placed?
6. Who is responsible for ensuring subsidiary ledgers (investments, docket trial balance, court funds, etc.) are detailed, reconciled to the general ledger trial balance, and do not contain “plug numbers” to balance?
7. Who completes the annual financial report and files it with the county mayor and county clerk?
8. Who coordinates with county finance to ensure capital asset records for external reporting purposes are up to date and in compliance with county capital asset policies for any capital assets in the circuit court clerk’s office that require tracking?