

**UNIVERSITY OF GEORGIA  
INTERNAL AUDITING DIVISION  
INTERNAL CONTROL QUESTIONNAIRE**

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**Unit:**  
**Date:**

**Interviewee:**  
**Auditor:**

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**GENERAL**

**BACKGROUND MATERIAL**

- A. Please provide an organization chart which shows lines of authority and responsibility for the unit.
- B. What department code(s) does your Office manage?
- C. Who is the contact person (i.e., who handles or is most familiar with the details) for the following activities?

**Activity**

**Name**

Petty Cash and Change funds  
P-Card  
Cash Receipts  
Accounts Receivable  
Inventory for Resale  
Non-Personal Expense including:  
Preparation of Purchase orders and Check Requests  
Monitoring Phone and other Communication Costs  
Travel Costs  
Reconciliation of the Account Status Reports  
Payroll/Personnel  
Contracts and Grants  
Service Center(s)  
Equipment Accountability  
Computer Controls and Security

- D. Please provide a list of:
- Bank Accounts
  - P-Card Holders
  - Independent Contractors
- E. Please provide a copy of the written signatory policy specifying who is authorized to sign fiscal documents.
- F. What resource does your unit use to research issues about University Policy?
- *Should be using the online Administrative Policies and Procedures*
- G. What critical documents does you unit keep? How long are these records kept?
- *Should be retaining P-Card receipts, petty cash bank statements/checks, personnel files, ASR's, purchase orders, check requests, grants proposals/awards, etc.*
  - *See the BOR policy for document retention*

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---

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---

**PETTY CASH AND CHANGE FUNDS (1/2)**

A. Please describe any cash funds you have.

**Petty Cash:**

Amount of Fund

Custodian

Cash or Checking Account

**Change Fund:**

Amount of Fund

Custodian

B. How do you ensure that the cash on hand (or checking account balance) and un-reimbursed receipts agrees with the authorized balance for each petty cash and change fund?

- *Who performs the verification? How often? How is the verification documented?*
- *Is the verifier independent of the custodian?*

C. If the petty cash fund is processed through a bank checking account, how often do you reconcile the bank statement balance with the check book balance?

- *Who performs the verification? How often? How is the verification documented?*
- *Is the verifier independent of the custodian?*

D. How do you ensure that the employees do not borrow money from the petty cash?

- *Are staff members allowed to use the petty cash fund to cash personal checks?*

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---

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---

**PETTY CASH AND CHANGE FUNDS (2/2)**

- E. Where do you keep the petty cash and related documents?
- F. How often are you required to use petty cash funds to process purchases over \$500?
- G. What procedures does your unit use to ensure sales tax is avoided?
- *Approximately how much has your unit paid in sales tax when petty cash funds are used?*

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---

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---

**P CARD**

**Coordinator**

- A. List the name(s) of the cardholder(s) and coordinator(s) (independent verifiers). For each card, please list the default University account number.
- *Coordinators should not be responsible for verifying their own cards*

**Cardholder/Coordinator**

- B. Describe the procedures for making purchases using the P-Card.
- *Does the cardholder maintain a transaction log that is updated in a timely manner?*
  - *When does the cardholder turn over the log, bank statement, and receipts to the coordinator?*
  - *Who keeps the original receipts?*
  - *Does the cardholder review and sign the bank statement to ensure that all charges are authorized? (Not a University policy, but a best practice recommendation)*
  - *Has a P-Card been used for personal purchases?*

**Coordinator**

- C. What documents are created and maintained when a P-Card purchase is made? How are the documents processed and filed? How long is purchasing documentation retained by the department?
- D. What procedures are used to verify purchases?
- *How does the coordinator ensure all receipts have been submitted?*
  - *Does the coordinator have the ability to know if all purchases have a business purpose?*
  - *Are there any cases where no receipt was submitted?*
  - *Has the coordinator discovered a cardholder who used the card for a personal purchase?*
    - *If so, was the charge repaid?*
- E. What documents are forwarded to University Purchasing? When was the last time P-Card documents were forwarded to Purchasing and what period did they cover?
- F. What are the procedures to ensure that the account code and expenditure object is correct for each purchase?

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---

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---

**CASH RECEIPTS (1/2)**

- A. What is the approximate amount of checks and currency received annually from all sources?
- B. Does the unit accept credit card payments?
- C. Do you have a published price/fee list?
- D. Does your unit receive gifts?
- *What was the purpose of the gifts? Who are the donors?*
  - *Are donor letters retained?*
  - *What accounts are gifts deposited into?*
  - *Who prepares the acknowledgement letter?*
- E. What are the procedures for collecting, recording, and processing checks, currency, and credit card payments?
- *Who collects cash receipts?*
  - *How are collections documented? Cash receipt forms? Mail log? Cash register?*
  - *When are checks endorsed?*
  - *Who prepares the deposit?*

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INTERNAL AUDITING DIVISION  
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---

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---

**CASH RECEIPTS (2/2)**

- F. If Cash Receipt forms are used, describe the forms and how file copies are used?
- *Are there any collections that are not receipted with the forms?*
  - *Are forms pre-numbered? What information is recorded on the receipt form?*
  - *Do deposits match the sequential order of receipt forms?*
- G. How often are deposits made?
- H. Where are the funds kept until they are deposited and who has access to the funds?
- I. How are funds transported for deposit?
- *By campus mail? Hand delivery to the Bursar's Office?*
- J. Have any funds been reported missing?
- K. What are the procedures for verifying the deposit and correct posting of cash receipts?
- *Specifically, what procedures ensure all funds have been prepared for deposit/transfer and what procedures verify that all deposits have been posted to the correct account?*
  - *Who performs these procedures?*

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---

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---

**ACCOUNTS RECEIVABLE**

- A. Are customers billed for services? Does the unit keep accounts receivable records?
- B. What is the approximate value of accounts receivable?
- C. Does the unit have an aged accounts receivable report?
- *Obtain the most recent report*
  - *How are the open accounts aged?*
  - *How often is the aging reviewed?*
- D. What is the unit's billing and follow-up process?
- *Who prepares customer bills? Does that person record payment or collect funds?*
  - *Who records charges and payments? Does that person invoice or deposit funds?*
- E. How are subsidiary records reconciled to the control account? How often is this done?
- F. What is the units billing and follow-up process?
- *Does the unit report outstanding receivables to the Controller's Office at year-end?*
- G. Who makes adjustments, credit memoranda and/or write-offs? Who approves the adjustments?
- *Does this person have access to cash receipts?*

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---

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---

**INVENTORY FOR RESALE**

- A. What is the approximate value of inventory held for resale?
- B. Approximately how many items are held for resale?
- C. How are inventory records maintained?
- D. How often is a physical count of inventory performed?
  - *Who performs the count?*
- E. When are inventory records adjusted?
  - *How is this done?*
- F. Who updates the inventory records?

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---

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---

**NON-PERSONAL EXPENSE**

- A. What are the Unit's procedures for preparing and authorizing purchase orders?
- *Does the unit use electronic POs?*
  - *Who prepares and who authorizes POs?*
- B. What are the Unit's procedure for preparing and authorizing check requests?
- *Who prepares and who authorizes purchase requests?*
- C. Does the unit request that some checks be delivered back to the department instead of being mailed directly to the payee?
- *What types of payments need to be sent to the department? Who receives the check?*
- D. What are the procedures for processing and authorizing travel reimbursements?
- *Who signs the travel expense statements?*
- E. How are long distance phone charges reviewed?
- *Is documentation of the review of long distance phone charges retained?*
  - *When was the last review conducted?*
- F. Does the Unit pay for mobile phone charges? Who has custody of the phone(s)?
- *Who approves the use of mobile phones?*
  - *How are personal calls identified and monitored?*
  - *Is detailed documentation of phone charges retained?*
- G. Does the Unit purchase items/services from other campus units?
- *What are the most frequently used campus unit?*
- H. Does the Unit purchase items from the University Bookstore?
- *Who is authorized to make purchases? What types of items are purchased?*
- I. To your knowledge does any full time employee in your unit transact any business with (i.e. buy from or sell to) the University?

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---

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---

**RECONCILIATION OF THE ACCOUNT STATUS REPORTS**

- A. What procedures are used to verify that all transactions (both revenue and expenditures) are properly posted Account Status Report?
- *Expenditures should be traced to appropriate source documents such as purchase orders, check requests, journal vouchers, and P-Card statements*
  - *Revenue credits should be traced to appropriate source documents such as cash receipt forms, mail logs, cash register tapes, deposit reconciliations, and deposit receipts*
- B. Who performs the procedures?
- *For revenue the verifier should not have access to cash receipts*
  - *For expenditure the verifier should not have signatory authority to approve purchase orders and check requests (with the exception of the Unit Head)*
  - *An offsetting control would be for the Unit Head to review the monthly documented verifications (ASR with attached supporting documents)*
- C. Are verifications performed done each month?
- *What month's transactions were most recent verified?*
  - *Ask to see the most recent verification*

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---

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---

**PAYROLL / PERSONNEL (1/2)**

- A. What are the unit's procedures to establish a new employee on the payroll?
- *Who approves the payroll budget amendment?*
- B. Describe the procedures for authorizing payroll payment for:
- Monthly
  - Salary Bi-weekly
  - Hourly
- C. How do you determine if the hours reported are correct?
- *How does the individual who approves the payroll voucher determine if the payee is still employed?*
  - *If the unit uses time clocks or unofficial time records, what procedures ensure that the data on the internal records agree with the data on the official records?*
- B. When are the bi-weekly and/or hourly time records signed by the employee and supervisor?
- *Time cards should be approved by the supervisor and signed by the employee at the end of the pay period or thereafter*
  - *The supervisor approving the time record should have first hand knowledge of the hours worked.*
  - *If time cards are pre-approved due to deadlines then procedures should exist to ensure that the approved time agrees to the hours actually reported on the voucher.*
- E. How are time sheets forwarded for processing the payroll voucher?
- F. Where do you keep the unclaimed payroll checks that were not distributed to the payee on the pay day?
- G. Under what circumstances is overtime earned and approved?
- *Is overtime approved in advance?*
- H. Under what circumstances is compensatory time earned and approved?
- *Who can earn compensatory time? At what rate is compensatory leave earned?*
  - *Does the department maintain records of compensatory time balances?*
  - *When compensatory leave is used, what notations are entered on the payroll voucher?*
  - *Is compensatory leave limited to non-exempt staff?*
  - *Compensatory time must be used by the end of the quarter subsequent to the quarter the compensatory time was earned*

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INTERNAL AUDITING DIVISION  
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---

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---

**PAYROLL / PERSONNEL (2/2)**

- I. How do you approve payment for services to a person who has retired from the University System?
- *Must get BOR approval*
- J. What do you do with the Employment Eligibility Verification Forms (Form I-9) for new employees?
- *Unit should try to obtain the original I-9 or create a new one for employees who transfer in from another University unit*
- K. How does the unit monitor and record absences?
- *Best practices include:*
    - *All staff request leave in advance when practical using the University leave slip*
    - *If advance leave is not practical the employee should report to a designated individual that they will be absent. The designated individual should record the absence and when the employee returns they should complete the leave slip.*
      - *The designated employee's records should be used to reconcile the leave records*
- L. How do you ensure that leave reported agrees with the leave balance on the University's records?
- M. When does your unit perform Performance Evaluation of classified employees?
- *Who does the evaluations?*

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INTERNAL AUDITING DIVISION  
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---

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---

**CONTRACTS AND GRANTS**

- A. Does your department have any contract or grant accounts?
- B. How do you ensure that charges to sponsored accounts relate to or benefit the project (i.e., reasonable, allocable, consistent, conform to requirements)?
- C. Have you posted cost JVs (the transfer of cost) between, or into, or out of a federal sponsored research account? How do you ensure that cost transfers are appropriate (i.e., timely, fully documented, allowable, approved)? What are the most common reasons for posting a transfer to a federal sponsored research account?
- *Allowable reasons for a JV are correction of errors, sharing costs between accounts, and payment of goods and services by another account*
- D. How does the department monitor cost sharing requirements?
- E. What are your procedures for submitting grant proposals?
- F. Do you have any contract and grant proposals that are not submitted to Sponsored Programs?

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---

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**EQUIPMENT**

- A. How often does your unit conduct the inventory of equipment?
- *How is this performed?*
  - *Who performs the inventory?*
- B. What are the procedures when equipment is scrapped or discarded?
- C. How does your unit report equipment that is lost, missing, or stolen?
- *Has your unit lost or written off any equipment that was equal to or less than three year old?*
    - *This can be verified using QMF equipment queries and IMS*
- D. If an employee removes portable personal computers or similar items from campus to the employee's home or to an off-campus site for business purposes, how do you determine where the equipment is located?

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---

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---

**COMPUTER CONTROLS AND SECURITY (1/2)**

**A: BACKGROUND**

- *Approximately how many PCs does your unit have?*
- *Who is responsible for IT support?*

**B: MISSION CRITICAL APPLICATIONS**

- *What computer applications do you use most in your office?*
- *Are any of these applications programmed in-house?*

**C: VIRUS PROTECTION**

- *How are computers protected from viruses?*
- *How are virus definition files updated on a regular basis?*

**D: BACKUPS**

- *Describe the backup process for all data that is backed up.*
- *How often are backups performed?*
- *How is data on individual PCs backed up?*

**E: USER IDS AND PASSWORDS**

- *How do staff members get assigned UserIDs and passwords?*
- *Is it necessary to change passwords periodically?*
- *Are passwords required to be a certain length and/or alphanumeric?*
- *Is staff provided guidance on how to develop a password?*

**F: SOFTWARE LICENSING**

- *Is your unit aware of University policy regarding software piracy?*
- *What documentation do you have in place to ensure compliance with software licensing?*

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---

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---

**COMPUTER CONTROLS AND SECURITY (2/2)**

**G: COMPUTER LABS**

- *Do you have computer labs for students?*
- *How are computers in computer labs physically secured?*
- *How are computers in computer labs logically secured? (use of ID/password)*

**H: WIRELESS NETWORKS**

- *Do you have any wireless networks?*
- *How are the wireless networks logically secured? (Bluesocket, WEP, MAC Address Filtering)*

**I: POLICIES ON USE OF COMPUTERS**

- *How are employees made aware of the University Policies on Use of Computers?*

**J: CONFIDENTIAL OR MISSION CRITICAL DATA**

- *What data processed on departmental computers confidential or mission critical?*

**K: COMPUTER SECURITY**

- *How do you keep your computers up to date with the most recent patches from the OS Vendor?*