

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

Unit:

Interviewee:

Date:

Auditor:

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?

<u>Activity</u>	<u>Name</u>
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	
Credit/Debit Card	
Information Technology (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?
- G. What critical documents does your unit keep? How long are these records kept?

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

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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?

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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. Does your unit receive gifts?

- D. What are the procedures for collecting, recording, and processing checks, currency, and credit card payments?

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CASH RECEIPTS (2/2)

- E. If Cash Receipt forms are used, describe the forms and how file copies are used?

- F. How often are deposits made?

- G. Where are the funds kept until they are deposited and who has access to the funds?

- H. How are funds transported for deposit?

- I. Have any funds been reported missing?

- J. What are the procedures for verifying the deposit and correct posting of cash receipts?

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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?

- D. What is the unit's billing and follow-up process?

- 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?

- G. Who makes adjustments, credit memoranda and/or write-offs? Who approves the adjustments?

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SALES AND SERVICE ACCOUNTS

- A. Please list all sales and service accounts of the unit and a brief description of each account, the revenue sources, and the staff member in charge of the account.

- B. Is there a published price/fee list?

- C. How are billing rates determined?

- D. Is there more than one type of sales activity comingled in a sales account?

- E. Does the unit collect course lab/supply fees?

- F. How does the unit verify that the funds collected from course lab/supply fees are appropriately expended?

- G. Are course lab/supply fees for multiple courses comingled into one account?

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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?

- E. When are inventory records adjusted?

- F. Who updates the inventory records?

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NON-PERSONAL EXPENSE

- A. What are the Unit's procedures for initiating and authorizing UGAMart purchase requests?
- B. What are the Unit's procedure for preparing and authorizing check requests?
- C. Does the unit request that some checks be delivered back to the department instead of being mailed directly to the payee?
- D. What are the procedures for processing and authorizing travel reimbursements?
- E. How are long distance phone charges reviewed?
- F. Does the Unit pay for mobile phone charges? Who has custody of the phone(s)?
- G. Does the Unit purchase items/services from other campus units?
- H. Does the Unit purchase items from the University Bookstore?
- 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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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?

- B. Who performs the procedures?

- C. Are verifications performed done each month?

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PAYROLL / PERSONNEL (1/2)

- A. What are the unit's procedures to establish a new employee on the payroll?
- B. Who approves timecards in Kronos for:
- Salaried bi-weekly employees
 - Hourly employees
- C. How do you determine if the hours reported are correct?
- D. When are the bi-weekly and/or hourly time records signed by the employee and supervisor?
- E. Does the unit review the IP addresses of timestamps in Kronos for each pay period?
- 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?
- H. Under what circumstances is compensatory time earned and approved?

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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?
- J. How does the unit monitor and record absences?
- K. How do you ensure that leave reported agrees with the leave balance on the University's records?
- L. When does you unit perform Performance Evaluation of classified employees?
- M. Are there any related employees within the department that have a supervisor/supervisee relationship to each other?
- N. Does the department have an outside consulting policy for faculty (written or otherwise)?
- O. Please provide a list of all faculty (and staff if applicable) who currently provide or have provided outside consulting services during the last 12 months.

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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?

- 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?

- G. Does the unit have “various” income accounts (*agency code 67428*)? If yes, what are the sources for funds?

- H. Please provide a list of all contracts & grant accounts that are based on fixed price contracts.

- I. Are Personnel Activity Reports (PAR) signed by either the employee or supervisor?

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EQUIPMENT

- A. How often does your unit conduct the inventory of equipment?

- B. What are the procedures when equipment is scrapped or discarded?

- C. How does your unit report equipment that is lost, missing, or stolen?

- 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?

- E. How is the use of unit's vehicle monitored and controlled?

- F. How are gasoline expenses reviewed?

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P CARD

P-Card Roles

- A. List the name(s) of the department head, cardholder(s), approving official(s), and facilitator(s). For each card, please list the default University account number.
- B. Who assigns P-Cards and P-card roles within the department, establishes transaction limits and default accounts?

Cardholder

- A. Is the cardholder a permanent (regular) employee of the University whose job duties require the use of a P-Card?
- B. Does the cardholder complete refresher training every two years as directed by the Procurement Office?
- C. Describe the procedures for making purchases using the P-Card.
- D. Does the cardholder record each transaction on a transaction log as the purchase (or credit) occurs?
- E. How often does the cardholder review transactions in Works and add comments?
- F. Does the cardholder sign-off in Works?
- G. Does the cardholder provide adequate documentation for each transaction for inclusion with the monthly billing statement? When does the cardholder review and turn over the bank statement and original receipts to the facilitator or approving official?
- H. Does the cardholder sign and date both the transaction log and the monthly reconciled billing statement?
- I. Has a P-Card been used for personal purchases?
- J. Is the use of the P-Card shared with anyone else?
- K. Has sales tax been paid on purchases?
- L. How does the cardholder handle rebates, rewards and/or promotional items from vendors, if there are any?

Approving Official

- A. Does the approving official complete refresher training every two years as directed by the Procurement Office?
- B. What procedures are used to verify purchases (at least) on a monthly basis?

- C. How does the approving official ensure that all P-card transactions are:
 - a. Supported by adequate documentation?
 - b. Properly authorized?
 - c. Appropriate and directly related to University business?
- D. How does the approving official show evidence that the reconciliation and review of P-Card transactions have been completed?
- E. Does approving official monitor purchases in WORKS or approve transactions in WORKS?
- F. Who keeps the original bank statements, original receipts, invoices, packing slips, and other P-Card documents?
- G. Were there any cases where no receipts were submitted?
- H. Does the approving official have the ability to know if all purchases have a business purpose?
- I. Is the approving official in a position to evaluate the business purpose of and challenge the need for the purchase? Is the approving official a subordinate of the cardholder?
- J. Is the approving official's password shared with cardholders?
- K. Have any violations (personal purchase/ policy violations) been noted and discussed with the cardholder?
 - a. If so, was the charge repaid?
 - b. Did the approving official report the personal purchase or any other policy violations using the P-Card Reporting Form or by e-mailing pcardrpt@uga.edu? Was a copy of the report forwarded to the department head?
- L. What are the procedures for reporting P-card holder/ P-card Officials, who is no longer employed at the University or has transferred to a new department, to the Procurement Office?

Facilitator

- A. How often are transactions reviewed and signed off on in Works (first level or second level approval)?
- B. What are the procedures to ensure that the accounts and expenditure object code are correct for each purchase?
- C. Does the facilitator verify that the cardholders are adding their comments in Works of what was purchased and why the item was purchased?
- D. How soon after the statements closing date does the facilitator receive the reconciled bank statement from the cardholder?
- E. Does the facilitator review the bank statements and receipts to verify that all charges are properly supported by original receipts?
- F. Does the facilitator sign or initial the bank statement to show that the reconciliation has been completed.
- G. Does the facilitator verify that propriety review has been performed?
- H. Does the facilitator retain the reconciliation package?
- I. How long is P-Card documentation retained by the department?

Overall Evaluation of P-Card Controls

- A. Are P-Card vouchers used to document purchase requests of faculty/staff and authorizations from departmental management?
- B. Is the approving official responsible for monitoring more than 10 to 15 cards (depending on the number of transactions during the period under review? If so, provide justification.
- C. Evaluate the number of active P-Cards for the department. Discuss with department management if the number of P-Cards are appropriate to their conduct of business in reference to the need of the card and the controls used.

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CREDIT/DEBIT CARDS

General

- A. Please list the employees who process credit/debit card payments.
- B. Describe the procedures for processing credit card payments in your department.
- C. What department programs/ activities accept credit/debit cards as payments?
- D. Do you accept credit/debit card payments for sales activities not relating to the department?
- E. How did you receive your Merchant ID and what is the ID number?

Point-of-Sale (POS) Transactions

- A. Number of POS Terminals:
- B. Unit Model/s: IP Based (Y/N): Phone Based (Y/N):
- C. Was the purchase of the POS equipment approved by the Bursar's Office?
- D. What card processor is the department using? Did the department obtain approval from the Bursar's Office regarding the use of the card processor?
- E. Does card equipment truncate the card number on the customer receipt?
- F. Do the cashiers ask for the ID of the cardholder at the point of sale to verify identity of cardholder?
- G. Do the cashiers swipe the cards through terminal/point of sale device, if applicable?
- H. Was authorization obtained for every card sale?
- I. Were the customers asked to sign the sales receipt?
- J. Do the cashiers match the embossed number on the card to the four digits of the account displayed on the terminal?
- K. Do the cashiers compare the name and signature on the card to those on the transaction receipt?
- L. If the cashier believes that the card number or card sale is suspicious, what will the cashier do?
If cardholder information is taken over a phone, fax, postal mail, or credit card payment forms:
 - a. Do the cashiers obtain cardholder name, billing address, shipping address (if different from billing address and if applicable), account number, and expiration date?
 - b. Do the cashiers verify the customer's billing address either electronically or by calling the credit card automated phone system ?
 - c. Do the cashiers request the Security Code (the three-digit code on the back of the card in the signature panel) and validate the code at the time of authorization either electronically (through POS device) or by calling the credit card automated phone system?
- M. Are all phone/ IP based point-of-sale terminal transactions batched and transmitted to the card processor on a daily basis?
- N. Is transmission of sensitive cardholder data encrypted using 128 bit encryption and purged after settlement?
- O. For IP based point of sale devices, is transmission of data conducted on a private circuit and not the UGA network?
- P. Does the department accept credit/debit card information via e-mail?

E-Commerce Transactions

- A. Does the department process e-commerce transactions?
- B. What payment gateway is being used by the department? Was the payment gateway approved by the SVPFA and CIO?
- C. Does the department have a contract with the vendor?

- D. To the department's knowledge, is the vendor chosen PCI compliant and remain validated/certified as compliant by the card associations? Are card processing transactions performed on the website of the payment gateway?
- E. Are sensitive cardholder data stored in the department's server or PC?
- F. Are e-commerce transactions batched and transmitted to the card processor daily?
- G. Does the department schedule quarterly scans with the University's third party assessor (Trustkeeper)?
- H. Does the department forward the results of the scans to the third party assessor? Who is in charge of this process?

Refunds

- A. How are credit/debit card refunds processed? For POS? E-Commerce?
- B. What documentation is required to support processing of refunds?
- C. What controls are in place to ensure that the amount refunded is not over the amount that was paid? Who authorizes refunds?

Access to Card Information/ Document Retention

- A. Where does the department keep the credit card documents? Aside from the employee/s processing credit card payments, who has access to credit card information within the department?
- B. How long are credit card documents retained by the unit?

Reporting

- 1. What is the frequency for balancing and reconciling credit card transactions with the Bursar's Office?
- 2. Who is responsible for the reconciliation/verification procedures?
- 3. How are reports transmitted to the Bursar's Office?
- 4. Was there a situation wherein credit card sales totals from the unit did not match with what was reported by the merchant services provider to the Bursar's Office?
- 5. What are the department's procedures for handling credit card disputes?
- 6. What are the steps taken when the department became aware that any cardholder data was subject to compromise?

Training and Others

- 1. Does the department review the online PCI questionnaire annually and update responses as needed? Who is responsible for above procedure?
- 2. Does the department ensure that at least one staff member participate in all training sessions offered?

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COMPUTER CONTROLS AND SECURITY

A: BACKGROUND

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: 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)

G: COMPUTER SECURITY

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