This Self-Assessment Questionnaire (SAQ) is a tool to be used by an agency to:

* Develop fiscal and administrative controls.
* Evaluate the adequacy of existing procedures, both as written and actually performed.
* Ensure that written procedures and actual practices are the same.

Each agency should review its procedures **at least biennially** to ensure compliance with the minimal internal control standards as set forth in this SAQ. By completing the SAQ, an agency can identify potential internal weaknesses.

The SAQ is designed so that a “No” response indicates an area of concern, which may require corrective action in written procedures and/or actual practices, such as:

1. Developing new or revised procedures to correct the deficiency found; or
2. Implementing a compensating control.

The Comments/Issues column should be used for agency’s notes.

SAQs should be reviewed and approved by management and the original maintained in the agency’s files for audit purposes.

This document is to be used to help complete the agency’s Biennial Report on Internal Controls, which is due by July 1 of each even-numbered year.

Thank you for your cooperation.

**B. Management Control Environment**

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| --- | --- | --- | --- | --- |
| **Control Environment – Ethics** | **Yes** | **No** | **N/A** | **Comments/Issues** |
|  | Do you communicate to your employees your views on business practices and ethical behavior? |  |  |  |  |
|  | Do you take appropriate action to address known departures from approved polices or unacceptable practices or conduct that might significantly affect the financial reporting process? |  |  |  |  |
|  | If a fraud incident is alleged, do you thoroughly investigate the incident, take appropriate and consistent actions against violators, assess how relevant controls could be improved, and reinforce the entity’s values and expectations through appropriate communication? |  |  |  |  |
|  | Are you satisfied that all employees are honest? |  |  |  |  |
|  | Do you have a code of ethics policy and are employees required to sign it every year? |  |  |  |  |
|  | Do you provide regular ethics training? |  |  |  |  |
|  | Is the turnover of accounting and IT personnel relatively low? |  |  |  |  |
| **Control Environment – Commitment to Competence** |
|  | Do you consider the competence levels that are necessary for various jobs and the skills and knowledge that are required for reliable accounting and financial reporting? |  |  |  |  |
|  | Do accounting personnel have the background, education, and experience appropriate for their duties? |  |  |  |  |
|  | Do employees receive appropriate training to maintain their accounting and financial reporting competencies? |  |  |  |  |
|  | Are employees periodically reviewed to evaluate their competency in performing their assigned duties?  |  |  |  |  |
| **Control Environment – Management’s Philosophy and Operating Style** |
|  | Do you have controls in place to ensure that your staff select appropriate accounting policies, properly apply accounting principles, disclose important information, and accurately prepare information? |  |  |  |  |
|  | Do you follow all of your policies and procedures regarding internal controls, such as approvals, regular preparation or review of reconciliations, and review of supporting schedules or reports, etc.? |  |  |  |  |
|  | Do you understand your responsibility for establishing and monitoring programs and controls to address fraud and other risk that affect financial reporting? |  |  |  |  |

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|  | **Yes** | **No** | **N/A** | **Comments/Issues** |
|  | Do you commit sufficient resources to address information technology (IT) risks, such as unauthorized access to applications or data, potential loss of data, and reliance on inadequate systems that may adversely affect internal control? |  |  |  |  |
|  | Have you established policies and procedures that provide reasonable assurance of reliable accounting estimates? For example, uncollectible accounts receivable. |  |  |  |  |
|  | Have you established policies and procedures to prevent unauthorized access to documents, records, computer programs, and assets? |  |  |  |  |
|  | Have you provided or required your staff to attend internal controls training? |  |  |  |  |
| **Control Environment – Organizational Structure** |
|  | Do you feel that the organizational structure appropriate for the size and complexity of the entity? |  |  |  |  |
|  | Does your organizational structure facilitate effective communication about internal control matters? |  |  |  |  |
|  | Do you have formal job descriptions or other ways of defining particular job tasks? |  |  |  |  |
| **Control Environment – Assignment of Authority and Responsibility** |
|  | Is authority and responsibility within the entity and those charged with oversight appropriately assigned? |  |  |  |  |
|  | Have employee job responsibilities, including specific duties, reporting relationships, and constraints been clearly communicated? |  |  |  |  |
|  | Are controls over authorization of transactions established at an appropriate level? |  |  |  |  |
|  | Do you have established procedures for authorizing transactions and approving changes to applications or data programs? |  |  |  |  |
|  | Does your workload and that of your accounting personnel appear to permit and your staff to be mindful of controlling the quality of your work? |  |  |  |  |
| **Control Environment – Human Resource Policies**  |
|  | Do human resource policies and practices include background and reference checks for new employees especially for accounting and IT personnel? |  |  |  |  |
|  | Do human resource policies and practices include adequate training especially for accounting and IT personnel? |  |  |  |  |
|  | Do human resource policies and practices include regular performance evaluations, especially for accounting and IT personnel? |  |  |  |  |

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| --- | --- | --- | --- | --- |
|  | **Yes** | **No** | **N/A** | **Comments/Issues** |
|  | Do employee hiring, training, and evaluation procedures consider standards of ethical behavior and appropriate business practices? |  |  |  |  |
| **Risk Assessment**  |
|  | Have you developed a fraud risk assessment and monitoring process that is appropriate for the size and complexity of the entity, including identifying fraud risks and taking appropriate action to reduce or eliminate the risks? |  |  |  |  |
|  | Does your risk assessment process include an assessment of the entity’s vulnerabilities to fraudulent activity? |  |  |  |  |
|  | Do you know where you are vulnerable to fraud and have a process to mitigate identified fraud risks? |  |  |  |  |
|  | Do entity personnel have a clear understanding of the types of problems that should be reported upstream to management? |  |  |  |  |
|  | Are employees encouraged to report suspected improprieties to management? |  |  |  |  |
|  | Do you have procedures or policies in place to address internal control findings by external auditors? |  |  |  |  |
| **Monitoring – Internal Control Evaluation** |
|  | Are BSR’s reconciled at least monthly? |  |  |  |  |
|  | Do you exercise reasonable control over operations so that there is an absence of crisis conditions in operations or accounting (for example, well-organized work areas, no unusual delays, adequate documentation for all significant transactions, etc.)? |  |  |  |  |
|  | Does your staff, in carrying out their regular activities, ensure that adequate internal controls are followed? |  |  |  |  |
|  | Do you understand and use the BSR, performance measures, financial statements and required reports, such as grant reports? Are your pm meaningful and align with your goals and objectives? |  |  |  |  |
|  | Do you periodically review operating results or budget variations? |  |  |  |  |
|  | Is management involved in asset safeguarding? |  |  |  |  |
| **Monitoring – Reporting Deficiencies** |
|  | Are identified deficiencies reported on a timely basis to those responsible for taking corrective action, management, and (if significant) those charged with internal audit? |  |  |  |  |
|  | Is appropriate follow-up action taken for identified problems or weaknesses in internal controls (including matters communicated by the auditors) in a timely manner? |  |  |  |  |

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| --- | --- | --- | --- | --- |
|  | **Yes** | **No** | **N/A** | **Comments/Issues** |
|  | Are there appropriate channels within the agency for reporting and resolving sensitive deficiencies such as fraud and illegal acts? |  |  |  |  |

If any discrepancies are noted above, describe corrective action plan and resolution date below:

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| --- | --- | --- |
| SAQ Number | Corrective Action Plan | Resolution Date |
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