Internal Control Checklist

For California Local Educational Agencies

FCMAT

FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM

Introduction

The Fiscal Crisis and Management Assistance Team (FCMAT) is pleased to present this Internal Control Checklist to help local educational agencies (LEAs) evaluate their system of internal controls. LEAs are governed by elected or appointed boards or an elected or appointed superintendent. Throughout this checklist, the term governing body indicates those who have internal control responsibilities in each LEA type. Using this checklist should strengthen internal controls and improve compliance. The checklist is not meant to be an absolute standard or goal but to serve as an informative tool when reviewing internal controls.

Internal control procedures often align with best practices and principles. For example, it is essential to ensure the separation of duties, which means assigning different individuals to be responsible for the custody and accounting of assets like cash. Similarly, it is important to have checks and balances to prevent any one person from initiating and completing transactions, such as requisitions or payroll processes, without appropriate supervision or oversight. Incompatible duties should be segregated for effective checks and balances, and adherence to laws, policies and directives should be required. Although many internal controls may seem like common sense, using this checklist periodically to review an LEA's systems and processes can be valuable.

This checklist is similar to what auditors might use when evaluating an LEA's internal controls. Although a "no" response to a checklist item indicates potential weaknesses, such a response to any one question may not fully indicate how well or poorly a certain control is working; it might suggest the need for additional measures, procedures, or steps in a process to help mitigate risks or weaknesses.

Internal Control Background

The accounting industry uses the term internal control to refer to the procedures and protocols an organization uses to protect its assets and ensure efficient operations. The Committee of Sponsoring Organizations of the Treadway Commission (COSO) offers guidance regarding internal control, risk management, governance, and fraud deterrence. COSO is recognized globally for its Internal Control—Integrated Framework (ICIF), which was updated in its 2023 publication, *Achieving Effective Internal Control Over Sustainability Reporting (ICSR): Building Trust and Confidence Through the COSO Internal Control—Integrated Framework*, which defines internal control as:

> A process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

The reference to achievement of objectives refers to an organization's work of planning, organizing, directing, and performing routine tasks related to operations, and monitoring performance. An organization establishes control over its operations by setting goals, objectives, budgets and performance expectations.

Several factors influence the effectiveness of internal control, including the social environment and how it affects employees' behavior, the availability and quality of information used to monitor operations, and the policies and procedures that guide the organization.

Internal control helps an organization obtain timely feedback on its progress in meeting operational goals and guiding principles and produce reliable financial reports. Having effective internal control also provides reasonable assurance that operations are effective and efficient, that the financial information produced is reliable, and that the organization complies with all applicable laws and regulations.

Internal control is the primary mechanism for preventing and deterring illegal acts, misappropriation of assets or other fraudulent activities, which can include an assortment of irregularities characterized by intentional deception and misrepresentation of material facts.

Internal control provides the framework for an effective fraud prevention program. An effective internal control structure includes the policies and administrative regulations established by the governing body and operational procedures used by staff, adequate accounting and information systems, the work environment, and the professionalism of employees.

The Committee of Sponsoring Organizations of the Treadway Commission initially outlined the five components of internal control in an executive summary titled *Internal Control – Integrated Framework*, published in 2013. The table below provides a summary of these components and their respective characteristics.

Summary of Internal Control Components and Characteristics.

Internal Control Component	Characteristics
Control Environment	The set of standards, processes and structures that provide the basis for carrying out internal control across an organization. Comprises the integrity and ethical values of the organization. Commonly referred to as the moral tone of the organization, the control environment includes a code of ethical conduct; policies for ethics; hiring and promotion guidelines; proper assignment of authority and responsibility; oversight by management, the board or an audit committee; investigation of reported concerns; and effective disciplinary action for violations.
Risk Assessment	Identification and assessment of potential events that adversely affect the achievement of the organization's objectives, and the development of strategies to react in a timely manner.
Control Activities	Actions established by policies and procedures to enforce the governing board's directives. These include actions by management to prevent and identify misuse of the LEA's assets, including preventing employees from overriding controls in the system.
Information and Communication	Ensures that employees receive information regarding policies and procedures and understand their responsibility for internal control. Provides opportunities to discuss ethical dilemmas. Establishes clear means of communication within an organization to report suspected violations.
Monitoring Activities	Ensures ongoing monitoring to ascertain whether all components of internal control are present and functioning; ensures deficiencies are evaluated and corrective actions are implemented.

Source: Summarized from COSO's 2013 publication, *Internal Control – Integrated Framework*.

The five components of internal control are supported by numerous underlying principles that help ensure that an organization achieves effective internal control. Each of the five components listed above and their related principles must be present and functioning in an integrated manner to be effective. An effective system of internal control can provide reasonable but not absolute assurance that an organization will achieve its objectives.

The checklist that follows seeks to measure all of these components as well as the policies and practices used to achieve them.

Internal Control Checklist Questions

l. Governance   Yes   No   N/A

1. Demonstration of Commitment to Integrity and Ethical Values

    a. Do the governing body members, management, and applicable consultants understand their fiduciary duty? ...... ❏   ❏   ❏

    b. Does management understand what the LEA's acceptable business practices and policies are, such as allowable uses of LEA resources? .... ❏   ❏   ❏

    c. Does the LEA have a code of conduct policy or policies? .... ❏   ❏   ❏

        i. Does management understand the LEA's code of conduct policies? .... ❏   ❏   ❏

        ii. Do they understand the policies that govern relationships with employees, parents, the community, vendors, and the public at large? .... ❏   ❏   ❏

    d. Do the governing body members, staff and consultants who are designated in policy file Form 700 (Statement of Economic Interests) on time?.............................. ❏   ❏   ❏

        i. If the LEA requires consultants to file Form 700, does the LEA have a documented process for determining which consultants must file, and does the LEA have evidence that it makes these determinations? .... ❏   ❏   ❏

    e. Does management set a good example and regularly communicate high expectations regarding integrity and ethical values? .... ❏   ❏   ❏

2. Organizational Structure and Assignment of Authority and Responsibility

    a. Is there an organizational chart, and is it up to date? .... ❏   ❏   ❏

    b. Is the complexity of the LEA's structure commensurate with its size and adequate to achieve its goals?................. ❏   ❏   ❏

        i. Are lines of reporting clear? .... ❏   ❏   ❏

    c. Are the number and type of management positions in each department commensurate with the department's size and complexity and sufficient to help it achieve its goals?..... ❏   ❏   ❏

	Yes	No	N/A

d. Is there low turnover in management? . . . . ❏ ❏ ❏

e. Is authority delegated and is responsibility assigned in
    a clearly defined way? . . . . ❏ ❏ ❏

f. Are individuals held accountable for meeting goals? . . . . ❏ ❏ ❏

g. Are there documented policies and procedures regarding
    authority limits? . . . . ❏ ❏ ❏

    i.   Are these communicated to staff as appropriate?. . . . . ❏ ❏ ❏

h. Have appropriate limits been placed on each delegation
    of signature authority? . . . . ❏ ❏ ❏

    i.   Is this delegated authority in line with employee
         knowledge, training and competence?. . . . . ❏ ❏ ❏

i. Does management review and update signature records as
    turnover occurs? . . . . ❏ ❏ ❏

j. Are key management personnel knowledgeable and
    experienced? . . . . ❏ ❏ ❏

    i.   Do managers delegate authority based on knowledge
         and experience? . . . . ❏ ❏ ❏

k. Does management provide the resources needed for
    employees to carry out their duties? . . . . ❏ ❏ ❏

3. **Demonstration of Commitment to Recruit, Develop and Maintain
    Competent Individuals**

    a. Does the LEA have job descriptions that clearly define
        responsibilities, and are these responsibilities communicated
        to employees as appropriate?. . . . . ❏ ❏ ❏

    b. Does management understand the knowledge and skills
        required for employees to accomplish tasks?. . . . . ❏ ❏ ❏

    c. Is management aware of employees' competency levels?. . . . . ❏ ❏ ❏

    d. Is management involved in training and increased supervision
        when employees' competency is low? . . . . ❏ ❏ ❏

    e. Is the human resources department involved in
        identifying potential employees based on job requirements
        and each individual's qualifications? . . . . ❏ ❏ ❏

	Yes	No	N/A
f. Does management provide on-the-job and other recurring training programs that have defined objectives?.	❏	❏	❏
g. Are compensation decisions made using a formal process that includes meaningful involvement by more than one level of management?	❏	❏	❏
h. Is staffing adequate to accomplish critical functions while maintaining reasonable workloads?.	❏	❏	❏
i. If there is high turnover, does management understand the root causes of it?.	❏	❏	❏
j. Does management evaluate performance and hold individuals accountable for their internal control responsibilities? . .	❏	❏	❏
k. Are employees adequately supervised?.	❏	❏	❏
l. Do employees have a regular resource for resolving problems?.	❏	❏	❏
m. Are individuals reprimanded for inappropriate behavior consistently, directly, in a timely manner, and in alignment with board policy, regardless of their position or status?	❏	❏	❏
n. Does an organized evaluation process exist, and do managers follow it?.	❏	❏	❏

4. **Organizational Goals and Objectives**

	Yes	No	N/A
a. Has a formal mission or values statement been established and communicated throughout the LEA?	❏	❏	❏
b. Are realistic objectives established for all key activities including operations, financial reporting, and compliance tasks?	❏	❏	❏
c. Are all employee positions considered when developing organizational objectives?	❏	❏	❏
d. In addition to the LEA's local control and accountability plan (LCAP) and multiyear financial projection (MYFP), are other long- and short-range financial and strategic plans developed and written?	❏	❏	❏
i. Are changes in direction made only after sufficient study? . . .	❏	❏	❏
e. Does the budget align with the objectives in the LEA's LCAP?.	❏	❏	❏

Yes   No   N/A

5. **Risk Identification and Prioritization**

    a. Does a process exist for management to identify and
        consider the implications of external risk factors
        (e.g., economic changes, student and community needs
        or expectations, new or changed legislation or regulations,
        technological developments, public health, and competition
        from charter, private and home schools) on organizationwide
        objectives and plans?. . . . . ❏   ❏   ❏

    b. Does a process exist for management to identify and consider
        the implications of internal risk factors (e.g., new personnel,
        new information systems, changes in management
        responsibilities, and new or changed educational or research
        programs) on organizationwide objectives and plans?. . . . . ❏   ❏   ❏

    c. Are cost-benefit studies performed before committing
        significant resources to new initiatives or projects? . . . . ❏   ❏   ❏

    d. Is a risk management program in place to monitor and help
        mitigate exposure to risk? . . . . ❏   ❏   ❏

    e. Are external advisors consulted as needed to supplement
        internal expertise?. . . . . ❏   ❏   ❏

    f. Does management consider the potential for fraud when
        identifying, analyzing and responding to risks?. . . . . ❏   ❏   ❏

    g. Does management identify, analyze and respond to
        significant changes that could affect the internal control
        system?. . . . . ❏   ❏   ❏

6. **Change Management**

    a. Does management promote continual improvement and
        solicit input and feedback on the implications of significant
        changes?. . . . . ❏   ❏   ❏

    b. Is management willing to commit resources to achieve
        positive change? . . . . ❏   ❏   ❏

    c. Do mechanisms exist to identify, prioritize, and react to
        routine events (e.g., turnover) that affect achievement of
        organizationwide objectives or action steps?. . . . . ❏   ❏   ❏

    d. Do mechanisms exist to identify and react to economic
        changes?. . . . . ❏   ❏   ❏

Yes   No   N/A

e. Do mechanisms exist to identify and react to regulatory changes (e.g., maintain membership in statewide associations that monitor laws and regulations, work with county office of education, and communicate with the California Department of Education (CDE))? . . . . ❏   ❏   ❏

f. Do mechanisms exist to identify and react to technological changes and changes in each department's functional requirements? . . . . ❏   ❏   ❏

II. Control Activities

1. **Written Policies and Procedures**

a. Are employees aware of the LEA's adopted policies and procedures that apply to the LEA as a whole and to their department? . . . . ❏   ❏   ❏

b. Has each department documented its own processes and procedures? . . . . ❏   ❏   ❏

    i. If so, are they well understood by department employees? . . . ❏   ❏   ❏

c. Does the governing body have a process to ensure that all necessary policies are clearly documented and communicated, including at a minimum policies regarding the following:

- Theft and fraud prevention? . . . . ❏   ❏   ❏

- Cash management? . . . . ❏   ❏   ❏

- Delegation? . . . . ❏   ❏   ❏

- Credit cards? . . . . ❏   ❏   ❏

- Travel? . . . . ❏   ❏   ❏

- Related parties?. . . . . ❏   ❏   ❏

- Conflict of interest?. . . . . ❏   ❏   ❏

- Data Governance (including continual improvement evaluations and metrics)? . . . . ❏   ❏   ❏

d. Are all policies reviewed on a rotating schedule or as needed to remain current? . . . . ❏   ❏   ❏

	Yes	No	N/A

2. **Control Procedures**

   a. Do department heads monitor their departments' performance against objectives and budget? . . . . ❏ ❏ ❏

   b. Do management and the governing body review the LEA's organizational performance compared to objectives and to previous periods for all major initiatives, including LCAP goals? . . . . ❏ ❏ ❏

      i. Does management analyze and follow up on findings or deficiencies as needed? . . . . ❏ ❏ ❏

   c. Does management review actual performance versus budgets, forecasts, and performance in prior periods for all major initiatives, including those in the LEA's LCAP?. . . . . ❏ ❏ ❏

      i. Does management analyze and follow up on deficiencies as needed? . . . . ❏ ❏ ❏

   d. Are financial transactions, timekeeping and reconciliations completed in a timely manner?. . . . . ❏ ❏ ❏

      i. Does management conduct a diligent review and approval, including signature and date, either manually or electronically? . . . . ❏ ❏ ❏

   e. Does management monitor the allowable uses for restricted funding? . . . . ❏ ❏ ❏

   f. Does the LEA have controls to monitor the accuracy and completeness of information as well as authorization of transactions? . . . . ❏ ❏ ❏

   g. Do employees understand which records they are responsible for maintaining and the required retention period?. . . . . ❏ ❏ ❏

      i. Are records filed appropriately?. . . . . ❏ ❏ ❏

3. **Access to Information**

   a. Is information evaluated and classified based on its level of integrity, confidentiality and availability?. . . . . ❏ ❏ ❏

   b. Are individuals with access to information trained to understand their responsibilities related to the information?. . . . . . . ❏ ❏ ❏

   c. Are information and reports provided in a timely manner? . . . . ❏ ❏ ❏

	Yes	No	N/A
i. Is report detail appropriate for the level of management?	❏	❏	❏
ii. Is data summarized to facilitate decision-making?	❏	❏	❏
d. Does management promote and foster trust between employees, supervisors and others within the LEA?.	❏	❏	❏
e. Are employees who violate important policies disciplined?.	❏	❏	❏
f. Are management's communications and actions consistent with policies?	❏	❏	❏
g. Are employees encouraged to provide recommendations for improvement?	❏	❏	❏
h. Are employees' ideas recognized and rewarded?.	❏	❏	❏

4. Communication Patterns

	Yes	No	N/A
a. Do employees receive relevant information about legislation, regulatory developments, economic changes or other external factors that affect their department?	❏	❏	❏
b. Is a formal method used to communicate LEA policies and procedures (e.g., manuals, training programs, written codes of conduct, and acceptable business practices)?.	❏	❏	❏
c. Are employees kept informed of important matters?	❏	❏	❏
d. Are employees able to communicate problems to people in authority?	❏	❏	❏
e. Is there effective dissemination of information across all departments within the LEA?.	❏	❏	❏
f. Does management communicate standards and expectations to key outside groups or individuals (e.g., parents, the community, vendors, consultants, donors, sponsors, subcontractors, and grant recipients)?.	❏	❏	❏
g. Is information shared openly with outside evaluators (e.g., auditors, consultants, oversight agency)?	❏	❏	❏

5. Monitoring Activities – Management and Supervision

	Yes	No	N/A
a. Does management routinely spot-check transactions, records and reconciliations to ensure expectations are met?	❏	❏	❏

	Yes	No	N/A
b. Does management compare budgets to actual results, and are deviations followed up on in a timely manner?	❏	❏	❏
c. Are assets and liabilities reviewed regularly and reconciled to ensure management has an accurate picture of the LEA's financial position, and are significant changes followed up on in a timely manner?	❏	❏	❏
d. Is adequate attention given to commitments such as leases, loans, and salary adjustments?	❏	❏	❏
e. Does management periodically do the following:			
i. Assess employee attitudes?	❏	❏	❏
ii. Assess the organizational culture?	❏	❏	❏
iii. Review the effectiveness of the organizational structure?	❏	❏	❏
iv. Evaluate the appropriateness of policies and procedures?	❏	❏	❏
f. Does management periodically evaluate the effectiveness of its risk assessment process?	❏	❏	❏
g. Does management periodically evaluate the accuracy, timeliness and relevance of its information and communication systems?	❏	❏	❏
i. Does management question information in management reports and other documents that appears unusual or inconsistent?	❏	❏	❏
h. Is management follow-up of policy violations timely?	❏	❏	❏
i. Is corrective action taken quickly?	❏	❏	❏
i. Are issues raised in audit reports considered and acted on immediately at appropriate levels?	❏	❏	❏
j. Does management anticipate changes in conditions and routinely include them in its ongoing long- and short-range planning?	❏	❏	❏

III. Cash Receipts

	Yes	No	N/A
1. Does the governing body authorize all bank accounts and check signers annually?	❏	❏	❏

	Yes	No	N/A
2. Is the bank notified immediately of changes in authorized check signers?.	❏	❏	❏
3. Is the federal tax ID number kept in a secure location and available only to those who require access for their job functions?. . . .	❏	❏	❏
4. Are employees who handle cash bonded as required by EC 41021?.	❏	❏	❏
5. Is access to cash records in software limited to those who require it for their job functions?	❏	❏	❏
6. Is mail opened and are receipts listed by two people who do not have access to record cash in the financial system?	❏	❏	❏
7. Are checks secured immediately upon receipt, endorsed "for deposit only," and deposited either on the date of receipt or according to LEA policy?.	❏	❏	❏
8. Are prenumbered receipts completed for contributions (cash receipts) received?.	❏	❏	❏
9. Are cash receipts recorded in the general ledger by someone who does not open the mail, list receipts or prepare deposits?	❏	❏	❏
10. Are receipts deposited on the date of receipt or according to LEA policy?	❏	❏	❏
11. Do adequate physical controls (e.g., placed in a locked box) exist for cash receipts from the time the mail is opened until the cash is deposited in the bank?.	❏	❏	❏
a. Is a restricted, secure area provided?	❏	❏	❏
b. Is access restricted to authorized personnel only?	❏	❏	❏
12. For cash collected for student or LEA activity funds:			
a. Do individuals who handle collections account for all tickets?	❏	❏	❏
b. Are cash receipts reconciled to tickets sold?	❏	❏	❏
c. Are unsold tickets accounted for?	❏	❏	❏
d. Are all funds counted with a witness at the point of collection and again with the bookkeeper?	❏	❏	❏

	Yes	No	N/A

e. Is an armored courier service used? . . . . ❏   ❏   ❏

f. If an armored courier service is not used, are deposits taken
to the bank by at least two witnesses? . . . . ❏   ❏   ❏

For additional, detailed internal control procedures for ASB and student organiza-
tion funds, please refer to the FCMAT *ASB Accounting Manual, Fraud Prevention
Guide and Desk Reference*.

13. Are postdated checks, disputed items, identified receipts,
nonsufficient funds (NSF) checks, checks charged back by
banks, and similar items received and reviewed by someone
other than the individual(s) who prepared the deposit and
posted it to the general ledger? . . . . ❏   ❏   ❏

14. When required by funding sources, are restricted funds
deposited to specific account codes in the LEA's financial system
that track compliance with the restrictions? . . . . ❏   ❏   ❏

IV. Cash Disbursements

1. Are employees with cash disbursement duties required to
take vacations, and are other employees required to perform
those functions when an employee is absent? . . . . ❏   ❏   ❏

2. Is access to cash disbursement records in the financial system
limited to employees whose job functions require access? . . . . ❏   ❏   ❏

3. Are all disbursements, except petty cash, made by check or
electronic means (e.g., electronic fund transfers or automated
clearing house (ACH))? . . . . ❏   ❏   ❏

4. Are there controls over noncheck disbursements
(e.g., passwords for ACH electronic transfers)? . . . . ❏   ❏   ❏

5. Check stock (includes check stock for accounts held at the
county treasury and for accounts held outside of the country
treasury, such as clearing, revolving, and cafeteria accounts):

a. Are checks prenumbered and used in sequence? . . . . ❏   ❏   ❏

b. Are controls over blank check stock adequate? . . . . ❏   ❏   ❏

c. Is there a specified custodian for blank check stock? . . . . ❏   ❏   ❏

	Yes	No	N/A

d. Do only employees authorized to prepare checks have
    access to stock? . . . . ❏ ❏ ❏

6. Are vendors and other payees approved by management or
    an employee who is not responsible for disbursements? . . . . ❏ ❏ ❏

7. Is a sample of new vendors' information reviewed annually to
    confirm vendor name, taxpayer identification number,
    address/place of business information, and electronic payment
    information if used? . . . . ❏ ❏ ❏

8. Disbursement Preparation

    a. Before disbursement, are purchases approved properly
        using a purchase order or equivalent authorization that contains
        all pertinent information about formal commitments including
        quantities, delivery means and requirements, payment terms,
        conditions, account distribution, and description of the items
        to be purchased?. . . . . ❏ ❏ ❏

        i. When an LEA does not use a purchase order before
            disbursement, does the process the LEA follows
            (credit cards, petty or revolving cash, pay order,
            Amazon, etc.) before disbursement still contain all the
            pertinent information as stated above? . . . . ❏ ❏ ❏

    b. Are disbursements prepared by someone other than the
        individual who approves payment? . . . . ❏ ❏ ❏

    c. Before a disbursement is prepared, are the following compared
        to one another:

        i.   Purchase order or approval? . . . . ❏ ❏ ❏

        ii. Evidence of receipt with recipient signature? . . . . ❏ ❏ ❏

        iii. Original vendor invoice? . . . . ❏ ❏ ❏

    d. Is there a documented disbursement approval process?. . . . . ❏ ❏ ❏

    e. Are disbursements recorded in the appropriate journal as
        prepared?. . . . . ❏ ❏ ❏

        Note: This will be done automatically if disbursements are generated from the
        accounting system.

    f. Are all check numbers accounted for? . . . . ❏ ❏ ❏

	Yes	No	N/A

g. Are voided checks properly marked as void, retained and
accounted for in accordance with the LEA's internal policy? . . . . ❏ ❏ ❏

h. Are all checks made payable to a specific payee rather than
to cash or bearer? . . . . ❏ ❏ ❏

9. **Check Signing**

a. Do check signers or authorizers receive and review all
supporting documents? . . . . ❏ ❏ ❏

b. Are supporting documents properly marked (e.g., stamped
or marked paid with date) at the time of signature to prevent
duplicate payments? . . . . ❏ ❏ ❏

c. Are check signers updated and authorized by the governing
body? . . . . ❏ ❏ ❏

d. Do certain checks (e.g., over a dollar amount, revolving cash,
ASB checks) require two signatures? . . . . ❏ ❏ ❏

e. Are authorized check signers reviewed and updated at least
annually and whenever an employment action occurs, such
as a resignation, termination, promotion or demotion? . . . . ❏ ❏ ❏

f. Are authorized check signers someone other than the
following:

   i.   The individuals who prepare and approve orders
for payment? . . . . ❏ ❏ ❏

   ii. The individuals who prepare checks, receive cash, and
manage petty cash? . . . . ❏ ❏ ❏

   iii. The individuals responsible for purchasing and receiving? . . . ❏ ❏ ❏

   iv. The individual responsible for timekeeping for payroll
checks? . . . . ❏ ❏ ❏

   v.   The individual who performs the bank reconciliation? . . . . . . ❏ ❏ ❏

g. Is signing of blank checks prohibited? . . . . ❏ ❏ ❏

h. Is custody of checks after signing and before mailing handled
by an employee other than those who perform all payable,
disbursing, cash, receiving, and general ledger functions? . . . . ❏ ❏ ❏

i.   If a signature stamp is used, is it adequately safeguarded
and is its use authorized by the custodian of the stamp? . . . . ❏ ❏ ❏

	Yes	No	N/A

V. Cash Reconciliations

1. Are employees who have bank reconciliation duties required to take vacations, and are other employees required to perform those functions when an employee is absent? . . . .❏ ❏ ❏

2. Are bank accounts reconciled monthly?. . . . .❏ ❏ ❏

3. Are reconciliations completed by someone other than the individual(s) who receive and disburse cash? . . . .❏ ❏ ❏

4. Does a responsible individual receive the bank statements directly from the bank? . . . .❏ ❏ ❏

5. Are bank statement and check images kept in a secure location, with access limited to employees whose job functions require it?. . . . .❏ ❏ ❏

6. Do reconciliation procedures include the following with respect to deposits:

    a. Comparison of dates and amounts of daily deposits on the bank statement with the cash receipts journal?. . . . .❏ ❏ ❏

    b. Investigation of transfers between bank accounts to verify that both sides of the transactions have been recorded? . . . .❏ ❏ ❏

    c. Investigation of items rejected by the bank (e.g., deposits subsequently charged back by the bank because of insufficient funds)? . . . .❏ ❏ ❏

7. Do reconciliation procedures include the following with respect to disbursements:

    a. On a sample basis (e.g., one month, semiannually), comparison of canceled checks with the disbursement journal or vendor report, including the number, date, payee, and amount (e.g., clearing, revolving, ASB, county treasury, and other bank accounts)?. . . . .❏ ❏ ❏

    b. Accounting for the sequence of check numbers, including voided checks? . . . .❏ ❏ ❏

    c. Examination of cleared, cashed and rendered checks for authorized signatures? . . . .❏ ❏ ❏

	Yes	No	N/A
d. Examination of cleared, cashed and rendered checks for irregular endorsements?	❏	❏	❏
e. Examination of cleared, cashed and rendered checks for alterations?.	❏	❏	❏
8. Does a supervisor review the completed bank reconciliations and authorize any correcting entries needed?.	❏	❏	❏
a. Is the review documented by initialing and dating the reconciliation?	❏	❏	❏
9. Are checks outstanding for more than 90 days periodically investigated?.	❏	❏	❏
a. Is payment stopped and an entry made restoring such items to cash?	❏	❏	❏

VI. Petty Cash

	Yes	No	N/A
1. Is the responsibility for each petty cash fund assigned to only one person (often known as the custodian)?	❏	❏	❏
2. Is another employee designated to handle petty cash when the custodian is on vacation or unavailable?	❏	❏	❏
a. Are the accounting records inaccessible to the custodian?.	❏	❏	❏
3. Are petty cash funds maintained using the imprest method (i.e., a check request is generated to replenish the fund to the established amount based on an exact amount of receipts)?.	❏	❏	❏
4. Are petty cash funds kept separate from other cash?	❏	❏	❏
5. Is petty cash kept in a secure repository?	❏	❏	❏
6. Is there a limit on the amount of petty cash held and the amount spent on purchases?	❏	❏	❏
a. Is this limit included in a governing body policy?.	❏	❏	❏
b. Does the governing body authorize the petty cash account and its custodian annually?	❏	❏	❏
c. Does the LEA follow its governing body policy?	❏	❏	❏

	Yes	**No**	**N/A**

7. Custodian

a. Is the custodian someone other than the employees who handle receipts? . . . . ❏　❏　❏

　　i. Is the custodian authorized by the governing body or board? . . . . ❏　❏　❏

8. Receipts

a. Is a prenumbered receipt used for all petty cash disbursements? . . . . ❏　❏　❏

b. Are receipts completed in full in ink or in another manner that makes alterations difficult? . . . . ❏　❏　❏

c. Are vendors and other payees approved by a department head or other responsible employee other than the custodian?. . . . ❏　❏　❏

d. Does the petty cash receipt include the following information?:

　• Date . . . . ❏　❏　❏

　• Amount disbursed, both spelled out and written numerically . . . . ❏　❏　❏

　• Name of person receiving the money (payee). . . . . ❏　❏　❏

　• Reason for the disbursement . . . . ❏　❏　❏

　• General ledger account to be charged. . . . . ❏　❏　❏

　• Initials of the person disbursing the money from the petty cash fund . . . . ❏　❏　❏

e. Are orders properly supported by invoices or receipts?. . . . . ❏　❏　❏

9. Reimbursements

a. Is there a written policy or regulation describing the reimbursement process, and is it followed? . . . . ❏　❏　❏

b. Are petty cash reimbursement requests based on preapproved purchases and supported by approved documents? . . . . ❏　❏　❏

c. If prenumbered receipts are not used, are reimbursement receipts and attachments marked during or immediately after the reimbursement check is signed so they cannot be reused?. . . . ❏　❏　❏

	Yes	No	N/A
10. Is the petty cash fund periodically counted and audited by someone other than the custodian?	❏	❏	❏
a. Is the petty cash fund reconciled, and replenished if needed, at least monthly?	❏	❏	❏
11. Is cashing employee, volunteer, vendor or donation checks using petty cash prohibited?	❏	❏	❏

VII. Investments

	Yes	No	N/A
1. Does the LEA have an investment policy?	❏	❏	❏
a. Does the LEA comply with this policy?	❏	❏	❏
2. Is authority for purchases and sales of investments vested with the governing body or other responsible committee or official?	❏	❏	❏

(if the answer to 2 is N/A, skip to section VIII.)

	Yes	No	N/A
a. Are all investment transactions reviewed and approved by the governing body?	❏	❏	❏
b. Does an investment oversight committee or designated official determine whether the various types of investments are permitted by funding sources and donors and whether the investment income and gains are used only for purposes authorized by laws, donors, or the governing body?.	❏	❏	❏
c. Are employees with investment responsibilities required to take vacations, and are other employees required to perform those functions when an employee is absent?	❏	❏	❏
d. Is access to investment records limited to those who need it for their job functions?	❏	❏	❏
e. Other than investments in the county treasury, are all investments held in the name of the LEA?	❏	❏	❏
f. Are detailed records maintained that include the following information:			
i. Description of investment?	❏	❏	❏
ii. Date of acquisition and purchase price (or, for donations, fair market value at date of donation)?	❏	❏	❏

	Yes	No	N/A

iii.　Interest, dividend or income rates, accrual or receipt interest, accrual or receipt dates, and premiums or discounts amortization? . . . . ❏　❏　❏

iv.　Restrictions on income or use of proceeds?. . . . . ❏　❏　❏

v.　Lapse date of any restrictions? . . . . ❏　❏　❏

g.　Are recordkeeping functions for investment income performed by employees who have no access to the investments, cannot authorize investment transactions, and have no cash-related duties?. . . . . ❏　❏　❏

h.　As investment income is received, is it deposited in the proper bank account and posted accurately and on time to the investment records? . . . . ❏　❏　❏

i.　Are schedules of investments that show all income received, expenditures incurred, and proper accruals prepared monthly and reviewed by a responsible person? . . . . ❏　❏　❏

j.　Are investment earnings recorded in the proper class of net assets? . . . . ❏　❏　❏

k.　Are investments reconciled at least annually with the county treasury/auditor controller or other financial institutions? . . . . ❏　❏　❏

l.　Are investment statements from third-party institutions (e.g., county and financial institutions) reconciled monthly with detailed records? . . . . ❏　❏　❏

VIII. Debt Issuance

1.　Are all debt issuances reviewed and approved by the governing body?. . . . . ❏　❏　❏

2.　Are all debt instruments held in the name of the LEA or issuer (e.g., financing corporation, nonprofit, other debt holder)? . . . . ❏　❏　❏

3.　Are detailed records maintained that include the following information:

a.　Description of debt? . . . . ❏　❏　❏

b.　Date of disposition and purchase price? . . . . ❏　❏　❏

	Yes	No	N/A

c. Interest rates and accruals of premiums or
discount amortization? . . . . ❏   ❏   ❏

d. Restrictions on use of proceeds? . . . . ❏   ❏   ❏

4. Are debt instruments reconciled at least annually with the county
treasury/auditor controller or other financial institutions? . . . . ❏   ❏   ❏

5. Are debt statements from third-party institutions (e.g., county
and financial institutions) reconciled monthly with detailed
records? . . . . ❏   ❏   ❏

IX. Position Control

1. Is the LEA using a position control system? . . . . ❏   ❏   ❏

a. If yes, is position control integrated with the LEA's financial,
payroll and human resources systems? . . . . ❏   ❏   ❏

2. Is access to position control records limited to those who
require it for their job functions? . . . . ❏   ❏   ❏

3. Is the LEA's payroll driven by position control? . . . . ❏   ❏   ❏

4. Are requests for new positions or to fill vacant positions
originated only by the human resources department
manager or other approved individual who is separate
from payroll? . . . . ❏   ❏   ❏

5. Are all new positions approved by the appropriate governing body
of the LEA (e.g., school or charter governing body or county
superintendent) before hiring commitments are made?. . . . . ❏   ❏   ❏

6. Does the LEA reconcile budget, payroll, and position control
regularly or at least at budget adoption and interim reporting
periods? . . . . ❏   ❏   ❏

7. Is there proper segregation of duties between personnel, budget
and payroll?. . . . . ❏   ❏   ❏

Yes   No   N/A

X. Payroll

1. **Personnel, Employment, and Rate Authorizations**

    a. Are pre-employment clearances (e.g., fingerprints, former
        employers, references) completed for all new employees? . . . . ❏   ❏   ❏

    b. If the payroll and position control systems are not integrated, are
        position classifications and pay rates reviewed for compliance
        with personnel procedures or other documents that specify
        pay rates for employees? . . . . ❏   ❏   ❏

    c. Are all employees notified in writing of the organization's
        personnel policies? . . . . ❏   ❏   ❏

    d. Is access to computerized payroll records limited to
        employees whose job functions require it? . . . . ❏   ❏   ❏

    e. Is the payroll processor notified promptly of any changes in
        personnel data? . . . . ❏   ❏   ❏

    f. Is access to human resources records and payroll processing
        functions restricted to authorized staff, thus ensuring that
        human resources staff cannot access payroll processing
        functions and payroll staff cannot access human resources
        processing functions? . . . . ❏   ❏   ❏

    g. Are payroll master file adjustments (additions, deletions, and
        changes) supported by documentation in the employee's
        personnel file? . . . . ❏   ❏   ❏

2. Is access to payroll records limited to those who require it for
    their job functions? . . . . ❏   ❏   ❏

3. Is payroll notified promptly about personnel hirings,
    terminations, transfers, and payroll changes? . . . . ❏   ❏   ❏

4. **Payroll Preparation and Timekeeping**

    a. Timekeeping

        i.   Are attendance records used? . . . . ❏   ❏   ❏

        ii. Are attendance records signed by the employees?. . . . . ❏   ❏   ❏

        iii. Is supervisor approval of attendance records required
             before payroll is processed?. . . . . ❏   ❏   ❏

	Yes	No	N/A

iv. Are changes on attendance records initialed or approved by the employee and supervisor?. . . . . ❏ ❏ ❏

b. If payroll is processed by an outside organization (e.g., private provider, another district, or the county office), are controls in place to ensure the following:

   i. Attendance records submitted for processing are complete and accurate, and appropriate control totals are maintained for subsequent reconciliation to payroll registers? . . . . ❏ ❏ ❏

   ii. All other payroll information provided to the outside organization (e.g., pay rates, withholding) is authorized?. . . . . ❏ ❏ ❏

   iii. Paychecks and/or payroll registers produced by the payroll service are reviewed, reconciled to control totals and approved before paychecks are released? . . . . ❏ ❏ ❏

c. Are employees who prepare the payroll independent from those who perform other payroll duties (e.g., human resources, timekeeping, check pickup and distribution) and without access to payroll records or bank accounts? . . . . ❏ ❏ ❏

d. Does payroll perform the following functions when preparing payroll:

   i. Check attendance records for computations of hours worked in the pay period? . . . . ❏ ❏ ❏

   ii. Review attendance records for approval? . . . . ❏ ❏ ❏

   iii. Check overtime hours, rates and computations? . . . . ❏ ❏ ❏

   iv. Review attendance records for unapproved alterations?. . . . . ❏ ❏ ❏

   v. Verify pay rates? . . . . ❏ ❏ ❏

e. Is payroll subject to final approval by the responsible official before payment? . . . . ❏ ❏ ❏

f. If checks are machine-signed, is there adequate control over the use of the signature plate, and are the procedures the same as for all other checks? . . . . ❏ ❏ ❏

g. Are payroll checks prenumbered, is blank stock controlled and used in numerical sequence, and is the numerical sequence accounted for and reconciled to the payroll check register?. . . . . . . ❏ ❏ ❏

	Yes	No	N/A
h. Are voided checks marked properly as void, retained, and accounted for, in accordance with the LEA's internal policy?	❏	❏	❏
i. Do check stubs contain details of gross pay and deductions?	❏	❏	❏
j. Are procedures in place to ensure that payroll taxes are paid on time and that payroll tax returns are filed when due?	❏	❏	❏
k. Are procedures in place to ensure that payments to CalSTRS and CalPERs are remitted in a timely manner?	❏	❏	❏
l. Are procedures in place to ensure that other withholdings (e.g., voluntary deductions, health insurance) are remitted in a timely manner?	❏	❏	❏
m. Are the gross and net pay amounts on tax returns reconciled to total payroll in the general ledger?	❏	❏	❏
n. Are payroll withholdings controlled to ensure that the amounts are correct and that they comply with applicable governmental requirements?	❏	❏	❏
i. Are they remitted to the appropriate entity and reconciled to the general ledger in a timely manner?	❏	❏	❏
5. Are paychecks distributed by someone other than the individual(s) who perform timekeeping and prepare payroll, checks and envelopes?	❏	❏	❏
6. Is there a process for regularly reviewing and comparing payroll direct deposit amounts to approved payroll records to ensure accuracy and proper authorization?	❏	❏	❏
7. Is there a process to ensure that payroll checks not deposited directly are distributed securely and reconciled with payroll records to verify accuracy and prevent unauthorized payments?	❏	❏	❏
8. Unclaimed Paychecks			
a. Are unclaimed checks returned to an employee who is not associated with the payroll function?	❏	❏	❏
b. Is a continuing record maintained of all unclaimed wages?	❏	❏	❏

Yes   No   N/A

9. Year-End Preparation of W-2 Forms

    a. Is the total of W-2 wages for the year reconciled to both the general ledger and payroll register? . . . . ❏   ❏   ❏

    b. Are W-2 forms that have been returned or remain unclaimed received and investigated by a person other than the individual(s) who perform the payroll and timekeeping functions? . . . . ❏   ❏   ❏

10. Are employee timesheets and position control records maintained in sufficient detail to ensure that payroll costs are accurately allocated to the appropriate programs, grants, contracts, or cost reimbursement agreements? . . . . ❏   ❏   ❏

11. Is there a comparison of actual to budgeted payroll, and are significant variances investigated and documented? . . . . ❏   ❏   ❏

12. Are detailed records maintained of accrued leaves (e.g., vacation, sick leave, paid time off), and are they reconciled regularly to a control account? . . . . ❏   ❏   ❏

13. Are postemployment and postretirement benefit accruals reviewed by a knowledgeable individual to ensure they are accurate and properly recorded? . . . . ❏   ❏   ❏

14. Are employees with payroll responsibilities required to take vacations, and are other employees required to perform those functions when an employee is absent? . . . . ❏   ❏   ❏

XI. Property and Equipment

1. Is approval required for all property and equipment acquired? . . . . ❏   ❏   ❏

    a. If not, do items that cost more than a specified amount require approval? . . . . ❏   ❏   ❏

2. Are designated individuals responsible for verifying that property and equipment purchases comply with the terms and conditions of all grants, restricted contributions, and other requirements? . . . . ❏   ❏   ❏

	Yes	No	N/A
3. Is approval required for the transfer or disposal of property and equipment?	❏	❏	❏
4. Does the organization have written policies that permit designated personnel to do the following:			
a. Distinguish between capital items, repairs, and maintenance expenses?.	❏	❏	❏
b. Determine the fair value of donated property and equipment?	❏	❏	❏
5. Are detailed property and equipment records maintained that include a description, date purchased or donated, cost or fair value at the time of donation, and donor or funding source restrictions on use or disposition?	❏	❏	❏
6. Is access to property and equipment records limited to those who require it for their job functions?	❏	❏	❏
7. Is a physical inventory of capitalized equipment, construction in progress, and additions and deletions to assets reviewed annually?	❏	❏	❏
a. Are reconciliations prepared and any discrepancies followed up on immediately and explained?.	❏	❏	❏
b. Are reconciliations reviewed?	❏	❏	❏
8. Is the asset manager or other assigned individual informed of any material changes to the status of property and equipment items (e.g., sales, scrapping)?	❏	❏	❏
9. Is capitalized equipment properly identified and tagged using numbering, engraving, or another method, in accordance with board policy?.	❏	❏	❏
10. Are items safeguarded adequately from loss due to fire, theft or misplacement?	❏	❏	❏
11. Are periodic insurance reviews and appraisals conducted?	❏	❏	❏
12. Are periodic reviews of the current values of property, less depreciation, conducted to assess whether such values are recoverable over the asset's life?.	❏	❏	❏

	Yes	No	N/A
13. Is access to electronic fixed asset records limited to those who require it for their job functions?	❏	❏	❏

XII. Inventories

	Yes	No	N/A
1. Is inventory adequately safeguarded against loss, theft, physical deterioration and misuse?	❏	❏	❏
2. Is there an established high-value inventory threshold (e.g., $500) for items that are susceptible to theft?	❏	❏	❏
a. Are high-value items separated and kept behind locked barriers or cages?	❏	❏	❏
b. Are at least the high-value inventory items monitored by functioning and recording surveillance camera systems?	❏	❏	❏
3. Are perpetual inventory records maintained, both of dollar amounts and quantities, and are they balanced at least annually to the general ledger?	❏	❏	❏
4. Is access to inventory records limited to those who require it for their job functions?	❏	❏	❏
5. Are physical inventories taken periodically and balanced to the perpetual records?	❏	❏	❏
a. Are there written instructions for such counts?	❏	❏	❏
b. Are material differences investigated and explained?	❏	❏	❏
6. Do adjustments to the inventory records require management approval?	❏	❏	❏
7. Are inventories covered by insurance?	❏	❏	❏

XIII. Information Technology Controls

	Yes	No	N/A
1. Information Technology (IT) Strategic Planning			
a. Is the governing body or management responsible for reviewing and approving IT plans and policies?	❏	❏	❏
b. Does the LEA conduct regular risk assessments and address noted risks appropriately?	❏	❏	❏

	Yes	No	N/A

c. Are all outside service providers evaluated before contracting to determine the potential effect on controls and the financial statements? . . . . ❏   ❏   ❏

2. Backup and Recovery

a. Is there a backup and data retention policy and schedule that specifies how often backups are performed, how long they are retained, and where backup media is stored? . . . . ❏   ❏   ❏

b. Are data backups performed to minimize the risk of lost or corrupted data? . . . . ❏   ❏   ❏

     i. Are backups secured so they are accessible only by authorized personnel? . . . . ❏   ❏   ❏

     ii. Are data backups tested at least quarterly? . . . . ❏   ❏   ❏

c. Are data recovery procedures tested at least quarterly to ensure data integrity and recovery? . . . . ❏   ❏   ❏

d. Are file server backups performed to minimize the risk of lost or corrupted data? . . . . ❏   ❏   ❏

     i. Are backups secured so they are accessible only by authorized personnel? . . . . ❏   ❏   ❏

     ii. Are file server backups tested at least quarterly? . . . . ❏   ❏   ❏

e. Are individual computer workstations backed up and maintained sufficiently to minimize the risk of lost or corrupted data, and are they accessible only by authorized personnel? . . . . ❏   ❏   ❏

f. Are recovery procedures tested at least quarterly to ensure data integrity can be maintained and recovery performed successfully? . . . . ❏   ❏   ❏

g. Is batch processing in the financial system controlled and monitored to ensure proper completion? . . . . ❏   ❏   ❏

h. Is access to scheduled financial job content and to the scheduler properly controlled? . . . . ❏   ❏   ❏

i. Do interfaces between systems include appropriate controls to ensure the complete and accurate transfer of data? . . . . ❏   ❏   ❏

	Yes	No	N/A

j. Do appropriate environmental controls exist to ensure the security and reliability of equipment in data centers and other technical facilities (e.g., fire and smoke detection, fire suppression, temperature and humidity controls, and an uninterruptible power supply and/or backup generators if required)? . . . . ❏ ❏ ❏

3. **Logical Security**

a. Does the LEA have an information security policy that defines information security objectives, and is this policy supported by documented standards and procedures where necessary?. . . . . ❏ ❏ ❏

b. Does the LEA have and follow procedures to ensure timely action related to requesting, establishing, issuing, suspending, modifying, and closing user accounts? . . . . ❏ ❏ ❏

c. Are new user accounts in the network, application, and database environments set up in response to properly authorized requests from management?. . . . . ❏ ❏ ❏

d. Are user rights based on job roles? . . . . ❏ ❏ ❏

e. Are user access rights removed or suspended promptly when employees separate from the LEA, and are there standards that define required timelines for various situations (e.g., voluntary or involuntary termination)? . . . . ❏ ❏ ❏

f. When user access rights are changed (because of job transfers or other reasons), are the user's access rights reviewed to remove those that are no longer needed? . . . . ❏ ❏ ❏

g. Are additional access rights granted only in response to properly authorized requests from management?. . . . . ❏ ❏ ❏

h. Is the issuance of user access rights (network, application, and database) sufficiently separated between those who grant access and those who request it? . . . . ❏ ❏ ❏

i. Are vendor access accounts reviewed at least annually?. . . . . ❏ ❏ ❏

j. Are passwords for vendor access accounts changed at least annually?. . . . . ❏ ❏ ❏

Yes   No   N/A

4. **Data Integrity and California Longitudinal Pupil Achievement Data System (CALPADS)**

    a. Does the LEA have a documented process for reviewing, updating and performing timely verification of the accuracy and completeness of CALPADS data to facilitate on-time certification of data? . . . . ❏   ❏   ❏

    b. Does the LEA have formal workflows for reviewing, reporting on and validating internal data quality? . . . . ❏   ❏   ❏

    c. Does the LEA have written guidelines for controlling authentication, authorization and access to LEA and CALPADS data? . . . . ❏   ❏   ❏

5. **Segregation of Duties Controls**

    a. Are IT personnel prohibited from performing accounting duties and other functions normally performed by users? . . . . ❏   ❏   ❏

    b. Do data owners conduct a review of user access rights for all relevant applications, and network access when required, at least annually? . . . . ❏   ❏   ❏

    c. Is database access appropriately restricted, including the ability to read, modify or delete key financial data either directly or via open database connectivity? . . . . ❏   ❏   ❏

    d. Are procedures in place and followed to maintain the effectiveness of authentication and access mechanisms (e.g., password length, password history, password expiration, and lockout for failed attempts)? . . . . ❏   ❏   ❏

    e. Is using shared IDs prohibited except for limited, read-only access? . . . . ❏   ❏   ❏

    f. Are access rights to generic IDs limited and closely monitored? . . . ❏   ❏   ❏

    g. Is physical access to computer rooms, file and communication servers, offline data storage and other sensitive storage restricted to authorized personnel only, and is access reviewed periodically for appropriateness? . . . . ❏   ❏   ❏

    h. Are controls over perimeter and network security in place (e.g., firewalls, routers, terminal service devices, wireless security, intrusion detection, and vulnerability assessments)? . . . . . ❏   ❏   ❏

	Yes	No	N/A

    i. Are software users prohibited from having access to source code, the compiler, and programming documents? . . . . ❏ ❏ ❏

    j. Is access to IT systems limited to those who require it for their job functions? . . . . ❏ ❏ ❏

    k. Upon an employee's departure or reassignment, are all keys, key cards, fobs, badges, and similar items used to control access to restricted technology areas reclaimed or changed to allow the appropriate level of access? . . . . ❏ ❏ ❏

    l. Are all consultants, visitors, suppliers and others who will be in contact with secure IT equipment and systems properly authorized and, where applicable, supervised? . . . . ❏ ❏ ❏

6. Change Management

    a. Are formal change management policies and procedures in place and updated as required? . . . . ❏ ❏ ❏

    b. Are application, database and operating system changes tracked in a central change tracking database or system? . . . . ❏ ❏ ❏

    c. Is user acceptance documented before application database changes are migrated to production? . . . . ❏ ❏ ❏

    d. Are operating system changes approved by IT management? . . . . . ❏ ❏ ❏

    e. For applications for which the LEA has the source code, is source code version control maintained using change control software or other means? . . . . ❏ ❏ ❏

    f. Are emergency changes to applications, databases, and operating systems documented and subject to formal change controls, including review after the fact and notification of data owners at completion? . . . . ❏ ❏ ❏

    g. For applications for which the LEA has the source code, are controls in place to allow only authorized individuals to migrate applications to production? . . . . ❏ ❏ ❏

    h. Is a formal, written change management policy in effect that includes the minimum requirements for change control and system development LEA-wide? . . . . ❏ ❏ ❏

        The policy should include requirements to consider system security, availability, and processing integrity when

	Yes	No	N/A

appropriate, including in application controls, developing
new systems, and making major changes to existing systems.

i. Are application controls formally considered and documented
as new information systems are implemented? . . . . ❏ ❏ ❏

j. Are subject matter experts (as indicated by the application
data owner) involved in deriving application system
requirements? . . . . ❏ ❏ ❏

k. Is a test plan developed and followed for all major
implementation projects, including unit, system, integration,
interface, and data conversion testing, as needed? . . . . ❏ ❏ ❏

l. Is user acceptance testing completed and documented for
all user-requested projects before they are moved into
production? . . . . ❏ ❏ ❏

7. Is there a disaster recovery plan sufficient to meet recovery
priorities? . . . . ❏ ❏ ❏

8. Is planned destruction of computer hard drives, memory, and
other data storage media witnessed? . . . . ❏ ❏ ❏

a. Are hard drives destroyed or wiped using overwrite
erase modes? . . . . ❏ ❏ ❏

9. Are software license expirations and renewals reviewed
periodically? . . . . ❏ ❏ ❏

10. Are software license counts reviewed periodically to ensure
adequate licenses are maintained? . . . . ❏ ❏ ❏

XIV. Financial Reporting

1. Are all required financial reporting deadlines met, including
those for adopted budget, interim reports, estimated actuals,
and unaudited actuals? . . . . ❏ ❏ ❏

2. Are the December 15 and March 15 deadlines met (EC 41020(h),
41020(j)(2)(A), 47605(m))? . . . . ❏ ❏ ❏

3. Are audit resolutions implemented in a timely manner? . . . . ❏ ❏ ❏

	Yes	No	N/A

4. Are internal control concerns that the LEA's auditors have raised properly addressed? . . . . ❏ ❏ ❏

5. Are internal controls sufficient to prevent overcommitment of resources so that no negative fund or cash balances appear at any time during the fiscal year? . . . . ❏ ❏ ❏

6. Are revenue estimates reviewed regularly during the fiscal year so that uncollected revenues are not overstated? . . . . ❏ ❏ ❏

7. Are budget transfers within the general fund made only to items for which this is permitted by law and regulation? . . . . ❏ ❏ ❏

8. Are budget transfers between funds made only as permitted by law and regulation? . . . . ❏ ❏ ❏

9. Does the governing body regularly receive budget status reports for all funds, including special revenue funds? . . . . ❏ ❏ ❏

10. Does the governing body receive a cash report monthly? . . . . ❏ ❏ ❏

11. Is access to financial reporting in software limited to those who require it for their job functions? . . . . ❏ ❏ ❏