

BUDGET POLICY AND REPORTING MANUAL

<i>date</i> 3/12/12	<i>subject</i> GOVERNMENTAL INTERNAL CONTROL AND INTERNAL AUDIT REQUIREMENTS	<i>item</i> B-350
<i>supersedes</i> 3/1/11		<i>page</i> 2

Number of Employees:

	Central Office Positions (FTE)	Regional/Field Office Positions (FTE)
Managerial		
Professional/Technical		
Support/Clerical		
Seasonal/Temporary		
Total		

4. How would you characterize the agency's public purpose? (Percentage of time spent on each function).

Advocate	%
Provider	%
Regulator/Control	%
Support	%
Administrative	%
Other (Specify)	%

II. Contract and Grant Management

- Describe the agency's policies and procedures for awarding, managing and monitoring grants and contracts, including labor management committee funds or other non-salary contractual items and legislative member items.
- Specify award/grant recipients by type: (Most Recently Completed Fiscal Year)

	Number of Recipients	Aggregate Dollar Amount
Local Government		
School Districts		
Not-for-Profits		
Labor Management Committees		
Other (Specify)		

BUDGET POLICY AND REPORTING MANUAL

<i>date</i> 3/12/12	<i>subject</i> GOVERNMENTAL INTERNAL CONTROL AND INTERNAL AUDIT REQUIREMENTS	<i>item</i> B-350
<i>supersedes</i> 3/1/11		<i>page</i> 3

3. Explain how the agency ensures that recipients spend funds in accordance with laws and regulations governing programs.

III. Agency Control Systems

1. Describe the basic control systems and the documents supporting those systems. Is documentation comprehensive, up-to-date and available for all functions?
2. How is compliance with these control systems monitored?
3. What training is in place for agency personnel on agency policies, procedures and control systems? What is the structure and frequency of this training?
4. How often are the agency's internal control policies and procedures reviewed and revised? What is the structure of the review process and who is responsible for these activities (e.g., supervisor, managers, committees, task forces)?

BUDGET POLICY AND REPORTING MANUAL

<i>date</i> 3/12/12	<i>subject</i> GOVERNMENTAL INTERNAL CONTROL AND INTERNAL AUDIT REQUIREMENTS	<i>item</i> B-350
<i>supersedes</i> 3/1/11		<i>page</i> 4

5. Does the agency have a formal planning process which includes risk analysis? If so, explain the specifics of the risk analysis process.

6. Describe the agency's monitoring process for correcting identified control weaknesses.

IV. Internal Audit

1. Does the agency currently have an internal audit unit? If so, outline its functions and responsibilities.

2. Describe the internal audit unit's organization, staffing and operation.

3. Does the unit have an annual audit plan? If so, how is it developed?

BUDGET POLICY AND REPORTING MANUAL

<i>date</i> 3/12/12	<i>subject</i> GOVERNMENTAL INTERNAL CONTROL AND INTERNAL AUDIT REQUIREMENTS	<i>item</i> B-350
<i>supersedes</i> 3/1/11		<i>page</i> 5

V. Fiscal

1. Describe the agency's procedures for receiving, recording, depositing and managing cash and checks.

2. Identify the agency's sources of revenue or other assets collected in the most recent fiscal year.

Source	Amount
Contracts	
Grants	
Users Fees	
Fines	
Assessments	
Other (Specify)	

3. Identify the agency's most recent fiscal year's budget expenditures:

	General Fund	Federal	Other	Total
State Operations				
Local Assistance				
Capital				
Total				

BUDGET POLICY AND REPORTING MANUAL

<i>date</i> 3/12/12	<i>subject</i> GOVERNMENTAL INTERNAL CONTROL AND INTERNAL AUDIT REQUIREMENTS	<i>item</i> B-350
<i>supersedes</i> 3/1/11		<i>page</i> 6

VI. Risk Exposure Analysis

1. On an agency wide basis, how vulnerable are operations to such factors as error, misuse of resources, inefficiency, unfavorable public opinion, fraud, waste or abuse given the:

	Risk Level			
	Low		High	
	1	2	3	4
Complexity of Agency Operations				
Frequency and Effectiveness of Internal Audits				
Frequency and Effectiveness of External Audits				
Number of Confidential Public Issues and/or Sensitive Program Areas				
Stability and Training of Personnel				
Scope/Size of Regional/District Office Structure				
Extent of Regulatory Control				
Potential for Disruption of Services				
Anticipated Program Growth				
Volume of Cash Transactions (Revenue or Fee Collections, etc.)				
Reliability of Management Information Systems				
Presence of Documented Operating Procedures				

2. Describe the agency's highest risk, highest vulnerability program areas. (Attach additional pages if necessary)

Program Area

Reason for High Vulnerability

BUDGET POLICY AND REPORTING MANUAL

<i>date</i> 3/12/12	<i>subject</i> GOVERNMENTAL INTERNAL CONTROL AND INTERNAL AUDIT REQUIREMENTS	<i>item</i> B-350
<i>supersedes</i> 3/1/11		<i>page</i> 7

VII. Summary Evaluation

Based on the preceding information and other management considerations deemed appropriate, provide a conclusion as to whether the agency requires an internal audit function. Fully explain the major factors that lead to this conclusion either to have or not have an internal audit function.

Approved by _____ Date _____
(Agency Head)