



## Internal Audit

### Business Processes Assessment Checklist

A "yes" answer suggests an appropriate level of control is in place. A "no" answer suggests that there is an internal control concern that may require correction or improvement. Call Internal Audit at (940) 565-2153 if you have any questions or need assistance in completing this checklist.

#### General Financial

YES   NO

     UNT's Business Policies and Procedures are documented and updated on a regular basis.

     Departmental staff are familiar with UNT's Policies and Procedures.

     The Department maintains an updated list of all DeptID numbers assigned to the Department, including a stated description/purpose for each account.

     Department staff have access to department policies and procedures on the web.

     The Department has documented, department-specific policies and procedures addressing daily operating activities.

     Department policies and procedures are communicated to staff consistently and on a recurring basis.

     The Department designates a specific individual to reconcile monthly financial reports to supporting receipt and expenditure documentation. Who? \_\_\_\_\_ How Documented? \_\_\_\_\_

\_\_\_\_\_

     The monthly financial reconciliation is documented. How?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## General Financial (Continued)

- At least one specific individual is designated to review and approve departmental financial transactions.  
Who? \_\_\_\_\_
- The individual who reviews and approves financial transactions is someone other than the individual who reconciles the monthly financial reports.
- At least one specific individual is designated to monitor actual expenditures with budgeted amounts.  
Who? \_\_\_\_\_
- The Department has an organized filing system in place for financial documents and required supporting documentation to assure easy retrieval.
- Documents are retained for the appropriate time period as prescribed by University policy and the state records retention requirements.
- The Department maintains a central file location for the required documentation related to grants (matching expenditures, time & effort reporting, P-card documentation, etc)?
- The Department maintains a signature/approval policy specifying limits of signature/approval authority, and identifying items that must be forwarded for higher level approval.
- Accounts are reviewed on at least an annual basis to identify and correct deficit balances.
- Accounts are reviewed annually to identify inactive accounts that should be closed out.



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#### Cash Handling

YES    NO

- The Department uses receipt forms approved by Student Accounts/University Cashier Services (SAUCS) when funds are collected by/received for the University.
- Receipts are pre-numbered and used in sequential order.
- Checks and money orders are not accepted for more than the amount of the transaction (i.e., no cash-back option).
- Checks, money orders, travelers checks, etc. are made payable to "University of North Texas-<department name>" (not "UNT," or left blank for later ink-stamping)
- Cash registers have locked in totals and audit trails.
- Refunds are issued only by voucher request (i.e., no cash refunds) through PPS or SAUCS.
- Refunds are approved by someone other than the employee processing the refund.
- Voids processed on cash registers are authorized by the processing employee's supervisor.
- The Department immediately prepares receipts when funds are collected.
- A restrictive endorsement is placed immediately on incoming checks and money orders when they are received.
- Receipts are regularly reconciled to assure all receipts are accounted for. Who? \_\_\_\_\_

## Cash Handling (Continued)

YES   NO

Sales registers or point-of-sale-terminals record receipts from cash sales.

An employee who does not have access to cash verifies daily totals from cash registers/POS terminals. Who? \_\_\_\_\_

The Department has a sales tax permit from the Department of Revenue for tangible goods for sale subject to sales tax.

The Department collects sales tax and remits collected taxes to the Department of Revenue.

All funds collected are secured until deposited at the SAUCS. How are they secured?  
\_\_\_\_\_

All funds collected are deposited with the SAUCS

Funds collected are deposited within 5 days in accordance with University deposit policies (next business day is best practice).

Duties of opening mail, processing cash received by mail, and account reconciliation are separated among several individuals (i.e., one individual is not responsible for two or more of these activities).

Cashiers are assigned individual cash drawers for which they are solely responsible.

Duties of collecting cash, preparing receipts, and account reconciliation are separated among several individuals (i.e., one individual is not responsible for two or more of these activities).

Individuals primarily responsible for handling cash (e.g., cashiers, etc.) take at least five consecutive days of leave (i.e., vacation) annually, and their work is performed in their absence by other individuals.

Safe combinations and keys to cash boxes or files are restricted to a limited number of essential employees. Who? \_\_\_\_\_  
\_\_\_\_\_

Safe combinations and locks to files are changed periodically, and after turnover in personnel assigned direct responsibility for the combinations or locks. Date last Changed? \_\_\_\_\_

All external bank accounts are established only through UNT Fiscal Affairs.

## Cash Handling (Continued)

YES   NO

   The Department has documented procedures for processing payments returned for insufficient funds.

   Credit card transactions are processed in accordance with credit card issuing company standards.

   All credit card refunds are reviewed and approved by a second individual.



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#### Payroll

YES   NO

- An employee's supervisor or another individual designated by the Department, who has specific knowledge regarding the hours worked by the employee, approves time recorded.
- Hourly reported are recalculated for accuracy by the employee's supervisor or other designated individual.
- Estimating time worked is prohibited (i.e., entering the hours worked on a time sheet before these hours are actually worked).
- Employees prepare leave requests whenever they are absent from work.
- Each employee's supervisor approves leave requests.
- Employee leave records are balanced and verified by the signature on the UPO-25 of the employee and the appropriate departmental representative at least annually.
- A designated individual is responsible for maintaining payroll documents (e.g., time sheets, leave records, etc.) for the required retention period.  
Who? \_\_\_\_\_
- Departmental payroll documents are maintained in a secure location? Individuals are not allowed to supervise, or be supervised, by a relative.
- HRM-6s for employee terminations and transfers are processed at least 10 business days prior to the effective date of termination or transfer.
- Each payroll is reconciled to the labor distribution report each payroll period by someone other than the time entry person.  
Who? \_\_\_\_\_

## Payroll (Continued)

YES   NO

Time entry is completed by someone other than the person approving time entered.



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#### General Expenditures

YES    NO

- Department employees are not allowed to make personal long-distance phone calls.
- Monthly telephone bills are reviewed for accuracy and possible unauthorized personal long-distance phone calls. Who? \_\_\_\_\_
- Staff members reimburse, by personal check payable to the University, any personal long distance calls made on University-provided phones. (This applies to approved emergency, one-time-only long distance calls.)
- A travel authorization is completed and approved before each travel activity.
- Travel vouchers are signed by the traveler requesting reimbursement.
- Travel vouchers are submitted within 5 days of the conclusion of reimbursable travel.
- Travel vouchers reflect only authorized business travel expenditures.
- Staff members who are assigned University purchasing cards secure the card to prevent unauthorized use.
- Purchasing card holders cannot both purchase and approve, or purchase and reconcile, their own purchase card transactions.
- Purchasing card supporting documentation is reviewed before purchasing card transactions are approved for payment by department reconcilers.

## General Expenditures (Continued)

YES   NO

- Purchasing card transactions are reviewed and approved by the approver assigned within the department. (This MUST be someone other than the reconciler, unless the reconciler is also the department head.)  
Who? \_\_\_\_\_
- Purchases using University funds are made only for business purposes.
- All purchases using University funds are delivered directly to the department (i.e., no purchases are delivered to addresses other than the University).
- Cell phone bills are reviewed monthly for appropriateness, and business applicability of calls made.
- Continuation of cell phone allowances are evaluated at least annually.
- Purchases by direct payment, standing (continuing) orders, or other payment methods are reviewed and approved by someone other than the purchaser.
- Reimbursements made for purchases using personal funds are approved by one level higher than the individual requesting reimbursement.
- Sealed bids are required for all purchases over \$\_\_\_\_\_.



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#### Safeguarding Assets

YES    NO

A designated individual in the Department is assigned property manager responsibilities. Who? \_\_\_\_\_

The property manager is responsible for ensuring that equipment purchases receive an inventory control tag, if applicable.

The Department safeguards University assets (including computers, cameras, calculators, audio-visual equipment, etc) through use of appropriate security measures. Describe the measures used:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The property manager documents University equipment (e.g., type, quality, condition, etc.) removed from the department for off-campus work related activities.

The property manager authorizes all off-campus uses of University assets, except occasional overnight use of portable equipment (e.g., laptop PCs, etc.), is documented.

An exit checklist is completed by the property manager or other designated Department individual for each separating employee to assure that all University property on loan to the employee (e.g., keys, credit/purchasing cards, computers, cameras, cell phones, etc.) is returned prior to the employee's termination date or before transferring to another department.

The property manager periodically performs an inventory of the equipment indicated on the University's inventory listing for the Department.

## Safeguarding Assets (Continued)

YES   NO

Surplus property is disposed of in accordance with University of North Texas and State of Texas rules.



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#### Administration of Sponsored Research

YES   NO

- |                          |                          |  |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | At least one individual in the Department has been formally trained by knowledgeable Office of Research Services staff to administer ('department administrator') external sponsored programs (i.e., any program sponsored and funded by external agencies). |
| <input type="checkbox"/> | <input type="checkbox"/> | The department administrator receives regular (i.e., at least annual) refresher training related to management of sponsored programs by knowledgeable Office of Research Services staff.   |
| <input type="checkbox"/> | <input type="checkbox"/> | The department administrator is knowledgeable in the applicable OMB circulars (A-133, A-110, A-21) relative to appropriate management of sponsored research funds.   |
| <input type="checkbox"/> | <input type="checkbox"/> | The department administrator reviews each request for reimbursement from grant funds for compliance with grant provisions and OMB circulars.   |
| <input type="checkbox"/> | <input type="checkbox"/> | Personal Activity Reports (effort reports) are prepared on a regular basis in accordance with University or sponsoring agency requirements.  |
| <input type="checkbox"/> | <input type="checkbox"/> | Effort reports reflect actual effort applied to sponsored programs, not payroll distribution or appointment status unless it is identical to actual effort.  |
| <input type="checkbox"/> | <input type="checkbox"/> | Effort reports are signed by the individual whose effort is being reported, or by someone with direct, specific knowledge of the effort expended.  |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant funds are expended as required by sponsoring agency and University rules.  |
| <input type="checkbox"/> | <input type="checkbox"/> | Equipment purchases using grant funds are made in accordance with sponsoring agency and federal rules.   |

## Administration of Sponsored Research (Continued)

YES   NO

- Equipment is not purchased within 90 days of the end of a grant unless specifically budgeted and necessary to fulfill grant requirements.
- The Office of Research Services is notified of all external funding (i.e., grants) regardless of the source of the grant application.
- Specific cost objects are established for all external funding sources.



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#### Petty Cash/Change (Working) Funds

YES    NO

- Each petty cash/change fund is authorized by PPS prior to being established.
- Petty cash/change funds are balanced regularly (best practice – daily) to ensure cash equals the fund balance.
- Petty cash/change funds are audited on a regular, unannounced basis by an individual other than the fund custodian.
- Disbursements from petty cash/change funds require a detailed, original receipt for reimbursement.
- Employees are prohibited from using petty cash/change funds to make loans (IOU's), or to cash personal or payroll checks.
- The petty cash/change fund custodian reconciles/reimburses 'overs' and 'shorts' through deposit adjustment on a continuing basis.
- Petty cash/change funds are kept locked in a secure location except when being used to accept funds or transact business (i.e., a locked drawer out of public view during business hours).
- The petty cash/change fund authorized balance is assessed at least annually for the appropriateness of the assigned fund (e.g., not too large or too small.)



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#### Accounts Receivable

YES   NO

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | The Department has documented accounts receivable policies and procedures.  |
| <input type="checkbox"/> | <input type="checkbox"/> | SAUCS has approved the Department policies, practices, and procedures for accounts receivable.  |
| <input type="checkbox"/> | <input type="checkbox"/> | Accounts receivable collection duties and accounts receivable recording duties are performed by different individuals.  |
| <input type="checkbox"/> | <input type="checkbox"/> | A summary of total cash received is reconciled to total cash posted on a daily basis.   |
| <input type="checkbox"/> | <input type="checkbox"/> | Credits memos or adjustments to accounts are approved by someone other than the accounts receivable clerk/processor.  |
| <input type="checkbox"/> | <input type="checkbox"/> | An edit report of all non-cash adjustments to accounts receivable is produced and reviewed monthly by someone other than the accounts receivable clerk/processor. |
| <input type="checkbox"/> | <input type="checkbox"/> | Accounts receivable are billed at least monthly.  |
| <input type="checkbox"/> | <input type="checkbox"/> | An aging of accounts receivable is prepared at least monthly.   |
| <input type="checkbox"/> | <input type="checkbox"/> | Follow-up actions and collection policies and procedures for delinquent accounts are documented.  |
| <input type="checkbox"/> | <input type="checkbox"/> | The Department has a documented policy for managing the write-off of delinquent accounts.   |
| <input type="checkbox"/> | <input type="checkbox"/> | Accounts receivable referred to collection agencies are written off the active accounts receivable at the time of referral.                                       |

## Accounts Receivable (Continued)

YES   NO

- Write-offs of accounts receivable are approved by someone other than accounts receivable clerk/processor
- Collections on delinquent accounts receivable are handled and posted by someone other than the individual responsible for the delinquent account process.
- Delinquent accounts are reconciled monthly to verify posting of payments received on delinquent accounts



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#### Miscellaneous Department Operations

YES   NO

- The Department has an up-to-date organizational chart that depicts employees' current responsibilities and reporting relationships.
- The Department has a policy detailing the delegation of duties when employees are absent.
- The Department maintains written job descriptions for each staff member and updates them as needed.
- The Department has processes in place to ensure that staff receive the training necessary to do their job to the best of their ability.
- The Department has periodic staff meetings in which relevant information (policy and procedure changes, opportunities for improvement, external events that will impact the department, etc.) is communicated from the top-down and from the bottom up within the unit.
- The taxability of any department-specific employee benefits provided by the Department (above and beyond the University's standard benefit package) has been determined?
- The Department has procedures in place to ensure that keys are returned to Access Control when a staff member separates from the department.
- Exit checklists are used to assure all University-related property is returned and system access cancelled when an employee separates from employment (e.g., computers, purchasing cards, keys, other University equipment, EIS, GroupWise or other email servers, MyUNT passwords, etc.)
- Each employee receives a documented performance evaluation on at least an annual basis.

## Miscellaneous Department Operations (Continued)

YES   NO

Each employee must sign a confidentiality agreement in accordance with GLBA, FERPA, HIPAA, Computer Systems Use policies etc., regarding maintaining confidential information.

Department employees complete an annual conflict of interest statement (best practice).



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#### Information Technology Management

YES   NO

Each person in the Department with system access is assigned a unique (not shared) user ID.

Staff members in the department keep their computer log-in I.D.'s and passwords secret.

Staff members log in to secure systems only under their own, unique I.D. and/or password.

Staff members change their passwords on a regular basis.

Files on personal computers in the Department are backed-up on a regular basis. How? How often?

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The Department maintains the appropriate individual/site licenses for each piece of program software that is installed or used on Department personal computers? Who? Where

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Department management regularly reviews the continuing need for the level of system access assigned to each staff member.

Department management approves each request for system access by any staff member.

## Information Technology Management (Continued)

YES   NO

Department management monitors on a continuing basis each person's (staff, managerial/professional, and administrative levels) use of system capabilities (i.e., use of system change access is reviewed regularly for potential incidents of unauthorized use of system access assigned).  
How? \_\_\_\_\_  
\_\_\_\_\_

System design prevents staff, faculty, and administration from accessing related party files and records (e.g., student accounts staff do not have change access for their related family member's student accounts.)

Hard drives for computers disposed of are reformatted, over-written, and/or destroyed prior to disposal to prevent compromising confidential data or violating software licensing agreements.

Staff, faculty, and administrators receiving access to GroupWise email, EIS, and other university related systems are required to sign confidentiality agreements before access is provided.