

SOIL AND WATER CONSERVATION DISTRICT -
INTERNAL CONTROL QUESTIONNAIRE

Internal Control	Yes	No	N/A	Comments
CASH / REVENUE				
1. Are all bank accounts in the district name? Did the district board authorize all bank accounts and check signers?				
2. Were all terminated employees and board members removed from check signing authority?				
3. Were all checking accounts, savings accounts and certificates of deposit tracked in the computer accounting system?				
4. Are incoming checks restrictively endorsed by the person opening the mail?				
5. Is a receipt issued for all funds received, except direct deposits by DNR and interest income? Operations Manual VII-7.14				
6. Are receipt slips prenumbered and used in sequence?				
7. Is the numerical sequence of receipts accounted for?				
8. Are receipts deposited promptly and intact?				
9. Do adequate physical controls exist over cash receipts from time of mail opening until time of bank deposit?				
10. Is the person responsible for cash receipts separate from the person signing checks, and reconciling the bank accounts?				
11. Is a Cash Receipts Journal maintained with entries that are easily traced to deposit slips? Operations Manual VII-7.14				
12. Is a perpetual balance maintained in the check register?				
13. Did the bank balance ever exceed \$100,000 up to October 2, 2008, or \$250,000 after October 3, 2008? Were collateral securities obtained if the bank balance exceeded \$100,000/\$250,000?				
14. Are adjustments of cash accounts reviewed and approved by a board member?				
15. Are there adequate procedures for approving and recording interbank transfers?				
PETTY CASH				
16. Is there a petty cash or change fund or cash held to use for payment of expenses?				
17. Is the district in compliance with page 5, #10 of the Quarterly Report Handbook which states, "DAS grant funds or any other state funding source cannot be used as a petty cash source and is not an eligible expense for these grants."				
18. Is responsibility for the petty cash fund assigned to only one person?				
19. Is the petty cash adequately secured?				
20. Is the petty cash fund held at a set dollar amount and				

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replenished on an imprest basis?				
21. Are petty cash funds segregated from other cash?				
22. Are petty cash funds restricted as to: a. Maximum amount for individual disbursements from the fund? b. Maximum amount of disbursements in a year?				
23. Is the petty cash custodian independent of employees who handle receipts and accounting records?				
24. Is a detailed record kept of petty cash expenses and amounts replenished utilizing a Petty Cash Book? (Operations Manual VII-7.14)				
25. Is cashing of accommodation checks (check cashing convenience for employees) prohibited? If not: a. Is each check limited to a specific amount? b. Are such checks presented immediately for deposit or payment? c. Is there a limitation on frequency of cashing checks? d. Are these checks limited to petty cash fund?				
26. Is the petty cash fund periodically reconciled by someone independent of the custodian?				
27. Are petty cash expenses and the petty cash balance included in the financial accounting system?				
INVESTMENTS				
28. Is authorization for acquisition and disposition of investments (such as purchase and redemption of CDs) vested with the district board?				
29. Are securities adequately protected, preferably in a safe deposit box?				
30. Are all securities held in the name of the district?				
31. Is CD interest income obtained and recorded in the computer accounting system each fiscal year?				
32. Is the correct balance of CDs per the bank at June 30 of each year properly reflected in the accounting records?				
33. Is investment income recorded on a timely basis and credited to the fund source of the investment?				
INVENTORY/RESALE/RENTAL				
34. Are items purchased for resale by the District? (Operations Manual VII-7.2)				
35. Is the district in compliance with page 5, #7, of the Quarterly Report Handbook which states, "Items purchased with DAS grant funds or through any other state funding source cannot be resold by the district."				
36. Did the district collect and remit Missouri sales tax on the retail sale of inventory items? (Operations Manual, section VII, page 7.22)				

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37. Is a log used to track the purchase, sale, and inventory balance of each item?				
38. Is a physical count of the inventory items periodically performed and documented?				
39. Is the inventory adequately safeguarded with limited access?				
40. Are acre meter readings, usage logs, and equipment rental records adequately documented? Are there any gaps in meter readings?				
EXPENDITURES				
41. Were all expenditures supported by an invoice, timesheet, employee reimbursement claim form, or other documentation? Operations Manual VII-7.15				
42. Were any reimbursements of employee/board member expenses for a spouse or other relative?				
43. Did employee Reimbursement Claim Forms satisfy all requirements found in Section II, page 21 of the Quarterly Report Handbook?				
44. Were all expenditures for out-of-state travel approved by the board and documented in the minutes? (Operations Manual VII-7.4 & Quarterly Report Handbook, page 5)				
45. Does the district have procedures in place to ensure sales tax is not paid with DAS grant funds? (Quarterly Report Handbook, page 5, #12)				
46. Are invoices properly marked paid with the date and check number to prevent duplicate payment?				
47. Is the district in compliance with Section VII, page 7.5 of the Operations Manual which states, "State (DAS) grants or any other state funding source may not be used for expenses incurred by the district in the purchase, maintenance, operation, and/or other related costs of district-owned vehicles?"				
48. Were expenditures posted correctly to the accounting records?				
49. Are there specific cutoff procedures for purchases at year-end (cash basis)? Memorandum 96-057				
50. Were expenditures from DAS grant funds paid in the fiscal year in which the expenditures were incurred as stated the Quarterly Report Handbook, page 6, #16?				
51. If paid from local funds, was the expenditure eligible under the Missouri Constitution Article III Section 38(a) and Article III Section 39 (not a bonus or gift)?				
52. Is the blank check stock adequately secured?				
53. Is signing blank checks prohibited? Operations Manual VII-7.13 & Quarterly Report Handbook, Pg 7				
54. Does the board member that countersigns checks				

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review supporting documentation and compare to check information prior to signing?				
55. Are dual signatures required on all checks? (no facsimile signature or stamps) This is a requirement for the surety bond coverage. Operations Manual VII-7.13 & Quarterly Report Handbook, page 7, #5				
56. Does the board review the Treasurer's Report at each board meeting? (Operations Manual VII – 7.13 and 7.16)				
57. Is custody of checks after signature and before mailing properly controlled?				
58. Are bank statements reconciled promptly upon receipt? Are reconciliations properly documented?				
59. Do the bank reconciliation procedures for all bank accounts include the following: a. Comparison of dates and amounts of deposits as shown on the bank statements with the checkbook and computer accounting system? b. Review of bank transfers to ensure both sides of the transactions have been properly recorded in the accounting records? c. Are items rejected by the bank for insufficient funds investigated by a responsible person independent of those responsible for receipt or recording of cash?				
60. Do the bank reconciliation procedures for all bank accounts include the following with respect to disbursements: a. Comparison of canceled check number, date, payee and amount to the check register? b. Account for the sequence of check numbers? c. Ensure checks did not clear the bank prior to check dates. d. Examination of canceled checks for authorized signature(s)? e. Examination of canceled checks for irregular endorsements? f. Examination of canceled checks for alterations?				
61. Are reconciled bank balances checked against the checkbook balance and the computer accounting system cash balance?				
62. Is there adequate separation of duties between check preparation, check signing, bank account reconciling, and access to cash receipts? This is a requirement for the surety bond coverage.				
63. Are completed bank reconciliations reviewed and approved by a board member and the Treasurer? (Quarterly Report Handbook, page 7, #2)				

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64. Are voided checks properly mutilated and retained?				
PROCUREMENT				
65. Are there written procurement policies & procedures? If so, do district employees adhere to these policies and procedures?				
66. Were any new equipment items purchased during the audit period? Was approval of the purchase included in the board minutes?				
67. Are there defined cut off procedures for purchasing at month-end and year-end?				
68. Were new equipment items bid with several vendors providing quotes?				
69. Are materials, supplies, and equipment counted and inspected for condition upon receipt?				
70. Are the duties of purchasing, receiving, disbursing, and record keeping properly segregated?				
PERSONNEL AND PAYROLL				
71. Does the district have a written personnel policy? (Operations Manual, Section VII, 7.4 & IX, 9.1)				
72. Is a personnel file maintained for each employee that contains the employment application, a position description, performance evaluations, payroll withholding authorization forms, leave records, etc.? (Operations Manual, IX, 9.11)?				
73. Are timesheets signed by the employee and approved by a board member?				
74. Does the district have established working hours for all employees? Is flextime allowed?				
75. Does the person preparing the payroll review timesheets for computations of payroll period hours, verify the pay rate, and check leave time accrued, taken and the balance?				
76. Is the payroll subject to final approval by the district board before checks are issued?				
77. Does the payroll system generate earnings records showing total earnings, deductions, and net pay for each employee? Quarterly Report Handbook, pg. 12				
78. Were all employee pay rates/pay increases approved by the board and documented in the meeting minutes?				
79. Does an adequate system for distributing payroll to the account/grant/funding source exist?				
80. Are paychecks distributed by someone independent of timekeeping and preparing payroll checks?				
81. Are payroll checks distributed on or after the last day of the payroll period (never cashed before pay day)?				
82. Does the district board review leave balances to ensure the maximum allowed has not been exceeded?				

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83. Is the total of W-2 wages for the year reconciled to the general ledger and payroll register wages paid?				
84. Are procedures in place to ensure payroll taxes and required forms (941s and state withholdings reports) are remitted in a timely manner?				
85. Are procedures in place to ensure withholdings, such as cafeteria plan and retirement/ 401(k), are remitted in a timely manner?				
86. Are employee benefit matters, such as health insurance and retirement plans, monitored by the district board?				
87. Are there established annual and sick leave policies that are applied consistently to all employees?				
88. Are timesheets approved by the board, at least monthly, in the meeting minutes?				
89. Is there a compensatory/overtime policy? a. Does the policy state a maximum balance for compensatory time or specify a time frame when compensatory time should be used? b. Does the policy state when overtime will be paid? c. Is the policy in compliance with the FLSA?				
90. Is compensatory/overtime authorized in advance and a written record kept of the authorization?				
91. Does the person preparing the payroll review timesheets for compensatory/overtime hours?				
92. Are records of leave and compensatory time balances maintained for each employee?				
93. Do employees receiving benefits meet the qualifications per memorandum 2000-72?				
94. Are health insurance and retirement plans administered per commission policy as stated in memorandum 2002-001 and the benefits grant agreement?				
95. Does the district maintain worker compensation insurance on employees?				
96. Is payment of a bonus to employees prohibited (Missouri Constitution, Article III, Section 39)? a. If a bonus was paid, was it reported on the employee's W-2? b. If a bonus was paid, were appropriate taxes withheld from the bonus?				
FIXED ASSETS				
97. Is a listing maintained of fixed assets purchased with state funds?				
98. Does the fixed asset inventory listing include a description of the item, a serial number or other ID number, the source of the property, the acquisition				

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date, the cost, the location, and the use and condition?				
99. Are fixed assets tagged with identification numbers?				
100. Is an annual physical inventory performed and documented?				
101. Are the results of the physical inventory reconciled to the fixed assets records?				
102. Is a control system in place to ensure adequate safeguards to prevent against loss, damage, or theft of property?				
103. Is the loss, damage, or theft of property reported to local authorities for investigation? Note instances.				
104. Has insurance been procured and maintained on all equipment, buildings and site improvements purchased with state funds?				
105. Have maintenance procedures been developed to keep the property in good condition?				
106. Is the title to equipment purchased with SWCD funds vested with the district?				
107. Did the district trade-in or sell any equipment/ machinery during the audit period? Was board approval documented in the meeting minutes?				
108. Were any new equipment items purchased during the audit period? Was board approval documented in the minutes along with bid quotes?				
109. If a trade-in of equipment was made, was the money or trade-in used to buy another piece of equipment?				
110. Was disposition of tangible equipment (with a value of \$1000 or more), which was purchased with state grant funds, has a current resale value greater than \$400, and is less than 5 years old, in accordance with Section VII, page 7.6, of the Operations Manual, and page 6, #14, of the Quarterly Report Handbook?				