**Montana State University - Control Assessments**

MSU’s financial and administrative staff can use these questionnaires to assess internal control activities in their units. The Office of Audit Services designed these questionnaires to make it easy for staff members to determine if their units have implemented many of the control activities that are commonly needed at MSU. These questionnaires are based on MSU and State (Montana Operations Manual (MOM)) policies and procedures and sound administrative practices.

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# Accounting & Budgeting

|  |  |  |  |
| --- | --- | --- | --- |
| **Unit:** |  | **Unit head:** |  |
| **Assessor(s):** |  | **Date:** |  |

| **Financial Account Management** | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| How do you ensure that all indexes are regularly monitored to know that you have adequate resources? |  |  |
| Do you have plans for handling an unexpected deficit? |  |  |
| How does your area make budget projections? |  |  |
| How does your area determine how to allocate budget resources within your area, such as among departments or programs? |  |  |
| Are financial reports regularly provided to supervisor (or designee)? |  |  |
| Are Foundation accounts monitored and are transfers completed in a timely manner? |  |  |
| 1. Do you use a subsidiary accounting system (e.g., CatBooks)? How is it used? Is it regularly reconciled to Banner (monthly)? |  |  |
| What reconciliations do you perform and at what frequency? What do you do if you detect errors or omissions?The following reconciliations could be performed monthly:P-card reports - Reports are reviewed by someone other than the preparer.Banner Payment Authorizations (BPAs),Payroll - considering changes (e.g., new hires, promotion raises)Revenue (expected through deposited) |  |  |
| Are reconciliations periodically reviewed by supervisor (or designee)? |  |  |
| Do you ever transfer costs between indexes? If so, what is your process? Do these transfers require authorization? |  |  |

| **Fiscal Misconduct**  (<http://www.montana.edu/policy/fiscal_misconduct/>) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| 1. Is actual or suspected fiscal misconduct (e.g., misuse of p-card, embezzlement) reported to a supervisor or one of your campus’ responsible officials? |  |  |
| 1. Is your unit aware that its staff should not attempt to conduct fiscal misconduct investigations? |  |  |

# Human Resources

|  |  |  |  |
| --- | --- | --- | --- |
| **Unit:** |  | **Unit head:** |  |
| **Assessor(s):** |  | **Date:** |  |

| **Hiring**  ([MSU Policies website](http://www2.montana.edu/policy) Personnel section)  ([MSU Recruitment and Hiring Handbook](http://www.montana.edu/hraa/handbook.html)) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Are recruitment and hiring conducted in compliance with applicable requirements? |  |  |
| Are hire documents complete, accurate and properly approved? |  |  |

| **Time and Leave Reporting** | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Are regular, extra (e.g., overtime) and exception time (e.g., leave) reviewed and approved? |  |  |

| **Payroll** | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Are monthly payroll reports reviewed, with any discrepancies properly resolved? |  |  |

| **Performance Evaluations**  (<http://www2.montana.edu/policy/performance_evaluation_policy.htm>) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Are employees annually evaluated by their supervisor, and do supervisors review evaluation results with their employees? |  |  |
| Is formal disciplinary action reviewed, documented and communicated to the affected employee and others as required? |  |  |

| **Terminations** | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Are terminations reviewed, documented and communicated to the affected employees and others as required? |  |  |
| Are termination checklists completed and properly approved when employees leave? |  |  |

| **Conflicts of Interest**  (<http://www2.montana.edu/policy/conflict_of_interest/>) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Are Conflict of Interest Disclosure Statements made annually by all applicable employees? |  |  |
| Do all employees, including those exempt from annual disclosure, make disclosures of potential conflicts of interest whenever they occur? |  |  |
| Are conflict of interest management plans explicitly followed? |  |  |

# Information Security

|  |  |  |  |
| --- | --- | --- | --- |
| **Unit:** |  | **Unit head:** |  |
| **Assessor(s):** |  | **Date:** |  |

| **Information Security** | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Are roles and responsibilities for information security management clearly assigned to unit personnel? |  |  |
| Are MSU information security policies and standards followed?  * 1. [MSU Enterprise Technology Management Policy](http://www2.montana.edu/policy/enterprise_it/technology_management.html) |  |  |
| 1. Has your area identified the types of data for which it is responsible and ensured that is stored in accordance with the [MSU Enterprise Data Stewardship Policy](http://www2.montana.edu/policy/enterprise_it/data_stewardship.html)?    1. **Confidential Data** (e.g., social security numbers, financial account numbers, driver’s license numbers, health insurance policy ID numbers, protected health information (PHI), passport visa numbers, and export controlled information under U.S. laws) must be stored on the ITC-managed server knox.montana.edu.   **Restricted Data** (e.g.,employee and student ID numbers (GIDs), course evaluations, financial transactions that do not include confidential data, contracts, planning documents, and student education records as defined by the Family Educational Rights and Privacy Act (FERPA)) must be stored on centrally managed servers or approved hosted services unless authorized per a documented discussion with the appropriate Data Steward and the Chief Security Officer. |  |  |
| 1. Are third party information services (e.g., cloud) that are paid for by your area overseen and monitored by your area? |  |  |
| 1. Are information system access privileges for employees in your area periodically reviewed and accordingly changed or terminated? |  |  |
| 1. Are passwords secured and not shared? |  |  |
| 1. Are software and operating system updates applied immediately on information systems in your area? |  |  |
| 1. Anti-virus and anti-spyware software are installed and properly set up on unit information systems. |  |  |
| 1. Unit personnel do not download software from unknown sources or open attachments or links included in email using MSU information systems without first thinking about the potential for resulting information security issues, such as attempts to obtain your protected personal information or to install harmful software. |  |  |
| 1. Are suspected incidents related to information security properly reported in accordance with the ([MSU Enterprise IT Security Incident Response Policy](http://www2.montana.edu/policy/enterprise_it/security_incident.html))? |  |  |

# Procurement & Disbursements (Including Travel & Hospitality)

|  |  |  |  |
| --- | --- | --- | --- |
| **Unit:** |  | **Unit head:** |  |
| **Assessor(s):** |  | **Date:** |  |

| **Procurement** | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| * 1. Is procurement conducted in accordance with [MSU Procurement Policy and Procedures](http://www.montana.edu/policy/purchasing/)? |  |  |
| 1. For purchases greater than $5,000 and up to $25,000, is one of the following required actions completed prior to purchase?    1. PD-20 Tabulation of Bids Resulting from Limited Solicitation (note that you must accept the lowest bid)    2. PD-14 Brand and Sole Source Justification |  |  |
| 1. For purchases greater than $5,000 and up to $25,000, after completion of PD-20 Limited Solicitation or PD-14 Sole Source Justification, is one of the following completed prior to purchase?    1. Departmental Purchase Order (DPO) for goods and equipment    2. Contracted Services Agreement (CSA) for services |  |  |
| For purchases greater than $25,000, does the unit work with the office of Procurement Services? (In calculating this $25,000, all years of the contract are included.) |  |  |
| 1. Are purchases manipulated (e.g., two payments of $4,900 for a single item) to avoid following procurement procedures? |  |  |

| **Contracted Services**  ([MSU Business Procedures Manual, Section 490 Contracted Services](http://www2.montana.edu/policy/business_manual/bus400.html#490.00)) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| 1. Are all contracts signed by relevant MSU officials (e.g., department head) as well as the contractor? |  |  |
| Prior to entering into a contract, does the unit determine whether the relationship with the person or firm is an employment relationship or an independent contractor relationship? If the contractor fails to meet criteria for independent contractor status, the contractor should be placed on University payroll. |  |  |

| **Purchasing Cards**  ([MSU Business Procedures Manual,](http://www2.montana.edu/policy/business_manual/bus400.html)  [Section 435.10 Purchasing Card Manual For Card Holders](http://www2.montana.edu/policy/business_manual/bus400.html)) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Are P-card requirements communicated to each cardholder? |  |  |
| 1. Are any p-cards used by more than one person? |  |  |
| 1. Are original itemized receipts and other required supporting documentation for p-card expenses available and submitted timely for p-card report preparation? |  |  |
| Are default accounting codes for p-card expenses cleared in a timely manner? |  |  |
| 1. Are p-card expense statements/reports regularly reviewed (preferably by someone other than the preparer) and approved? |  |  |
| 1. Is the loss or theft of a p-card immediately reported by cardholders? |  |  |
| 1. Does misuse of p-cards results in proper action by management? |  |  |
| 1. Are p-cards terminated when cardholders’ employment is terminated, and when cardholders move to another campus unit? |  |  |

| **Travel**  [(MSU Business Procedure Manual, Section 500 Travel)](http://www2.montana.edu/policy/business_manual/bus500.html) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Is travel only taken for reasonable purposes? |  |  |
| 1. Are travel requests complete, accurate and properly approved? |  |  |
| 1. Are travel expense reimbursements complete (include supporting documentation), accurate, based on approved rates and properly approved? |  |  |
| Is travel that is not funded by the state or that is of a restricted type in compliance with applicable requirements? |  |  |
| 1. Is airline travel paid for using university purchasing cards? |  |  |

| **Hospitality/Entertainment**  ([MSU Business Procedures Manual, Section 460 Hospitality Approval](http://www2.montana.edu/policy/business_manual/bus400.html#460.00)) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Is hospitality/entertainment only provided for reasonable purposes? |  |  |
| 1. Are hospitality requests complete, accurate and properly approved? |  |  |
| 1. Are alcoholic beverage service authorization forms complete, accurate and properly approved? |  |  |

| **Expense Reimbursements**  ([MSU Business Procedures Manual, Section 400 Claims](http://www2.montana.edu/policy/business_manual/bus400.html)) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Are expense reimbursement requests complete (e.g., supporting documentation), accurate, match supporting documentation and properly approved? |  |  |
| 1. Is the purpose of reimbursed expenses reasonable and are types of expenses reimbursed are allowable? (Personal expenses should not be allowed for reimbursement.) |  |  |

# Property Management

|  |  |  |  |
| --- | --- | --- | --- |
| **Unit:** |  | **Unit head:** |  |
| **Assessor(s):** |  | **Date:** |  |

| **Tracking and Safeguarding Property**  **(**[Montana Operations Manual (MOM) 335 Capital Assets](http://mom.mt.gov/default.mcpx))  **(**[MSU Property Management Policies and Procedure Manual](http://www2.montana.edu/policy/property/manual.html)) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| 1. Have unit personnel have been assigned responsibility to track, ensure proper use and maintenance of and to report losses of property? |  |  |
| 1. Are there are adequate provisions for safely storing equipment? |  |  |
| 1. Does your area maintain minor and sensitive equipment inventory listings?   Sensitive property includes items that possess a special risk of theft due to marketability and/or portability or that present a risk to safety. Sensitive property includes, but is not limited to:   * Computers: laptop, desktop * Cameras: digital, film, video * Firearms Musical equipment, systems and instruments * Video equipment: projectors, recorders, monitors, televisions * Certain chemicals, as may be deemed sensitive by the Safety and Risk Management Office. |  |  |
| 1. Do individuals responsible for maintaining inventory listings have the authority to authorize withdrawals of items maintained in the inventory? |  |  |
| 1. Is a physical inventory of all minor and sensitive property conducted at least every two years?    1. The physical inventory is subject to verification or conducted by a person who is not directly responsible for the assets or for maintaining the inventory listing.    2. Unit personnel perform a reconciliation between the physical inventory and the inventory listings. Missing items are reported to the Property Management office. |  |  |
| 1. University facilities and equipment should not be personally used. |  |  |

| **Disposing and Transferring Property** | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| 1. Is MSU Property Management notified and proper procedures followed in the sale or disposition of property? |  |  |
| 1. Are transfers of property between departments properly recorded? |  |  |
| 1. Are actual and suspected losses of assets reported to MSU Property Management? |  |  |

# Revenue Collection

|  |  |  |  |
| --- | --- | --- | --- |
| **Unit:** |  | **Unit head:** |  |
| **Assessor(s):** |  | **Date:** |  |

| **Cash Handling**  ([MSU Business Procedures Manual, Section 300 Cashier Activity](http://www2.montana.edu/policy/business_manual/bus300.html))  ([MOM 326 Non-Treasury Cash Accounts](http://mom.mt.gov/default.mcpx)) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| 1. Are duties for receiving cash, preparing deposits, posting payments to the accounts receivable ledger and performing reconciliations separated?  If there is insufficient staff for ideal separation of duties, are procedures are in place to compensate for the lack of separation? |  |  |
| 1. Are records of initial receipt retained to prove that all revenue received was deposited? (Procedures must prevent skimming at the initial receipt of revenue.) |  |  |
| 1. Is complete documentation (e.g., cash receipt forms, customer receipts, copies of invoices) retained with deposits? |  |  |
| 1. Is the change fund balanced each day it is in use (amount authorized for the change fund plus amount recorded as received that day equals the amount on hand)? |  |  |
| 1. Are checks restrictively endorsed at the time of initial receipt? |  |  |
| 1. Are deposits made in a timely manner ($200 cash or $750 checks must be deposited daily, all else must be deposited weekly)? |  |  |
| If a cash register or information system is used for revenue collection, is supervisor approval/review required for refunds, adjustments, voids, credits or deleted transactions?If an information system is used, do access controls restrict ability to perform refunds, adjustments, voids, credits or deleted transactions? |  |  |
| Are deposits transported securely (over $500 cash in a locked bag, over $1000 cash police escort)? |  |  |
| Are the change fund and money collected secured at all times? |  |  |
| Has an official change fund custodian been assigned responsibility and has this responsibility been documented with University Business Services (UBS) (Permanent Petty Cash Change of Custodian form)? |  |  |
| 1. Is the amount of the change fund appropriate to support daily operations? |  |  |
| 1. Are procedures are in place for handling cash overages/shortages? Is there a documented specified amount that is considered a material shortage? |  |  |
| 1. Are easily conveyable items with cash value (e.g., tickets, stamps) secured and inventoried? |  |  |
| 1. Are safe combinations changed when personnel changes occur? |  |  |
| 1. Are cash deposits reconciled to Banner regularly (monthly)? |  |  |
| 1. Does supervisory monitoring of revenue collection occur (e.g., comparison of expected revenue to deposited revenueand/orreview of 5-year revenue trends with follow-up questions for differences)? |  |  |

| **Accounts Receivable**  ([MSU Business Procedures Manual, 110.40 Collection and Write-Off Procedures](http://www.montana.edu/policy/business_manual/bus100.html))  ([MOM 320 Revenues, Receivables and Debt, XII. Collection of receivables](http://mom.mt.gov/)) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| 1. Are individuals responsible for maintaining accounts receivable records segregated from those directly involved in the billing process or in the revenue collection and deposit preparation process? |  |  |
| Are the billing system and accounts receivable system integrated, so that the preparation of an invoice in the billing system automatically generates a record of an account receivable? |  |  |
| 1. Are pre-numbered invoices or other billing documents used in numerical sequence? |  |  |
| 1. If an information system (e.g., QuickBooks) is used for accounts receivable are access controls implemented?  Each user of the information system should have a unique username and password, so that the user’s activities in the information system will be logged.Each user of the information system should have his/her system access limited, so that only functions related to job duties can be performed (e.g., limit ability to void or delete transactions or adjust balances). |  |  |
| 1. Are accounts receivable records accurately maintained and should be protected from unauthorized manipulation (e.g., voiding and deleting transactions, adjusting balances, processing credit memos, writing off balances or otherwise altering the amount of revenue that is owed to the unit)? |  |  |
| Do personnel responsible for maintaining accounts receivable records review aging reports on a monthly basis and follow up on past due accounts? |  |  |
| Does the unit conduct collection procedures as required by university and state policy? |  |  |
| Does the unit conduct bad debt write-off procedures as required by university and state policy? |  |  |

| **Credit Cards**  ([MSU Business Procedures Manual,](http://www2.montana.edu/policy/business_manual/bus300.html" \l "370.00http://www2.montana.edu/policy/business_manual/bus300.html)  [Section 370 MSU Credit Card Merchant Policy](http://www2.montana.edu/policy/business_manual/bus300.html" \l "370.00http://www2.montana.edu/policy/business_manual/bus300.html)) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Is the credit card terminal closed, batched and balanced each day it is in use? |  |  |
| 1. Are credit card deposits made to UBS by 11:00 am daily? |  |  |
| 1. Is credit card revenue reconciled to the amounts reported in Banner? |  |  |
| 1. Is customer credit card information properly secured and disposed of? |  |  |
| 1. Is access to the credit card terminal secured and restricted to trained personnel only? |  |  |

| **Donations and other Gifts**  ([MSU Acceptance and Processing of Gifts policy](http://www2.montana.edu/policy/acceptance_and%20processing_of_gifts_policy.htm)) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Are donations and gifts received in accordance with the MSU Acceptance of Gifts policy? ([MSU Acceptance and Processing of Gifts policy](http://www2.montana.edu/policy/acceptance_and%20processing_of_gifts_policy.htm)) (Donations are generally directed to the MSU Foundation, while sponsored programs should be directed to the MSU Office of Sponsored Programs.) |  |  |

# Safety & Risk Management

|  |  |  |  |
| --- | --- | --- | --- |
| **Unit:** |  | **Unit head:** |  |
| **Assessor(s):** |  | **Date:** |  |

| **Workers’ Compensation**  ([MSU Workers’ Compensation website](http://www.montana.edu/srm/insurance/workerscomp.html)) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Are workers’ compensation situations reported? |  |  |

| **International and Student Travel** | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Is international travel approved and reported? (<http://www.montana.edu/policy/international_travel/>) |  |  |
| Is student travel conducted in accordance with student travel policy?(<http://www2.montana.edu/policy/student_trips/>) |  |  |

# Sponsored Programs Administration

|  |  |  |  |
| --- | --- | --- | --- |
| **Unit:** |  | **Unit head:** |  |
| **Assessor(s):** |  | **Date:** |  |

| **General**  ([Sponsored Programs – Principal Investigator Guide](http://www.montana.edu/research/osp/piguide/index.html)) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Are sponsored programs administration authority and responsibility clearly assigned? |  |  |
| 1. Are record retention requirements for sponsored programs met? (MSU expects faculty members to retain research data for a period of three years.) |  |  |
| 1. How does your area make sure its sponsored programs technical data (e.g., research results) is properly backed up? |  |  |

| **Pre-Award**  ([Sponsored Programs – Principal Investigator Guide](http://www.montana.edu/research/osp/piguide/500.00.html) 500.00) | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Are sponsored programs proposals are properly approved? |  |  |
| 1. Are commitments of effort reasonable (e.g., not over 100%, joint contracts between universities) and met within the flexibility allowed by the sponsor? |  |  |

| **Post-Award** | **Yes**  **No**  **NA** | **Process Description (who, when, how)** |
| --- | --- | --- |
| Is compensation for personal services set and changed in compliance with applicable requirements (e.g., amount limitations)? |  |  |
| 1. Is time and effort reporting accurate, complete, timely and properly certified? |  |  |
| 1. Are cost transfers minimized, properly approved, completed in a timely manner and reasonable in amount and frequency? |  |  |
| 1. Are cost sharing and matching funds provided, tracked and timely reported in compliance with applicable agreements and requirements? |  |  |
| 1. Is a subaward monitoring system in place (e.g., performance, budget)? |  |  |
| 1. Is a budget compliance monitoring system in place? |  |  |
| 1. Are costs charged to sponsored programs incurred during the program period? |  |  |
| 1. Are costs charged to sponsored programs allowable? |  |  |
| 1. Is program income correctly determined, recorded and used in accordance with program requirements? |  |  |
| 1. Are financial reports complete, accurate (e.g., reconciled to accounting records) and reviewed, approved and submitted in a proper and timely manner? |  |  |
| 1. Are program technical performance and reporting monitoring systems in place? |  |  |
| 1. Are property management systems in place for items purchased with sponsored program funds? |  |  |
| 1. Are research misconduct allegations addressed in compliance with applicable requirements? (<http://www.montana.edu/policy/research/misconduct.html>) |  |  |