

Organizational Self-Assessment of Internal Controls and Risks

ACH Name:

Date Prepared:

Answer "Yes" if the activity in question is performed internally or externally (unless specified). Each "No" answer indicates a potential weakness of internal fiscal controls. All "No" answers require an explanation of mitigating controls or a note of planned changes. If the activity does not apply to your organization, answer N/A.

I. CONTROL ENVIRONMENT

A. Management's Philosophy and Operating Style

Yes N/A No

1. Are periodic (monthly, quarterly) reports on the status of actual to budgeted expenditures prepared and reviewed by top management?

2. Are unusual variances between budgeted revenues and expenditures and actual revenues and expenditures examined?

3. Is the internal control structure supervised and reviewed by management to determine if it is operating as intended?

B. Organizational Structure

4. Is there a current organizational chart defining the lines of responsibility?

5. Have all staff been sufficiently trained to perform their assigned duties?

C. Assignment of Authority and Responsibility

6. Are sufficient training opportunities to improve competency and update employees on Program, Fiscal and Personnel policies and procedures available?

7. Have managers been provided with clear goals and direction from the governing body or top management?

8. Is program information issued by the Health Care Authority distributed to appropriate staff?

II. HUMAN RESOURCES

A. Control Activities/Information and Communication

Yes N/A No

1. Are personnel policies in writing?

2. Are personnel files maintained for all employees?

II. HUMAN RESOURCES (continued)

A. Control Activities/Information and Communication

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

- | | | | |
|-------------------------------------|--------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 3. Are payroll costs accurately charged to grants using time spent in each program? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 4. Are accurate, up-to-date position descriptions available? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 5. Do all supervisors and managers have at least a working knowledge of personnel policies and procedures? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 6. Does each supervisor and manager have a copy or access to a copy of personnel policies and procedures? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 7. Does management ensure compliance with the organization's personnel policies and procedures manual concerning hiring, training, promoting, and compensating employees? |
| | | | 8. Are the following duties generally performed by different people? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | a. Processing personnel action forms and processing payroll? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | b. Supervising and timekeeping, payroll processing, disbursing, and making general ledger entries? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | c. Personnel and approving time reports? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | d. Personnel and payroll preparation? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e. Recording the payroll in the general ledger and the payroll processing function? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 9. Is access to payroll/personnel files limited to authorized individuals? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 10. Are procedures in place to ensure that all keys, equipment, credit cards, cell phones, laptops, etc. are returned by the terminating employee? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 11. Is information on employment applications verified and are references contacted? |

III. ACCOUNTS PAYABLE

A. Control Activities/Information and Communication

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

- | | | | |
|-------------------------------------|--------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 1. Has the organization established procedures to ensure that all voided checks are properly accounted for and effectively cancelled? |
|-------------------------------------|--------------------------|--------------------------|---|

III.ACCOUNTS PAYABLE (continued)

A. Control Activities/Information and Communication

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

2. Do invoice-processing procedures provide for:

- | | | | |
|-------------------------------------|--------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | a. Obtaining copies of requisitions, purchase orders and receiving reports? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | b. Comparison of invoice quantities, prices, and terms with those indicated on the purchase order? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | c. Comparison of invoice quantities with those indicated on the receiving reports? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | d. As appropriate, checking accuracy of calculations? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | e. Alteration/destruction of extra copies of invoices to prevent duplicate payments? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | f. All file copies of invoices are stamped/marked paid to prevent duplicate payments? |

 3. Are payments made only on the basis of original invoices and to suppliers identified on supporting documentation?

 4. Are the accounting and purchasing departments promptly notified of returned purchases and are such purchases correlated with vendor credit memos?

5. Are monthly reconciliations performed on the following:

- | | | | |
|-------------------------------------|-------------------------------------|--------------------------|-----------------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | a. All petty cash accounts? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | b. All bank accounts? |

6. Are the following duties generally performed by different people?

- | | | | |
|-------------------------------------|--------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | a. Requisitioning, purchasing, and receiving functions and the invoice processing, accounts payable, and general ledger functions? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | b. Purchasing, requisitioning, and receiving? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | c. Invoice processing and making entries to the general ledger? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | d. Preparation of cash disbursements, approval of them, and making entries to the general ledger? |

 7. Is check signing limited to only authorized personnel?

 8. Are disbursements approved for payment only by properly designated officials?

III.ACCOUNTS PAYABLE (continued)

A. Control Activities/Information and Communication

<u>Yes</u>	<u>N/A</u>	<u>No</u>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Is the individual responsible for approval or check signing furnished with invoices and supporting data to be reviewed prior to approval or check-signing?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Are unused checks adequately controlled and safeguarded?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Is it prohibited to sign blank checks in advance?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Is it prohibited to make checks out to the order of "cash"?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. If facsimile or e-signatures are used, are the signature plates adequately controlled and separated physically from blank checks?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Are purchase orders pre-numbered and issued in sequence?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. Are changes to contracts or purchase orders subject to the same controls and approvals as the original agreement?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16. Are all records, checks and supporting documents retained according to the applicable record retention policy?

IV. COMPLIANCE SUPPLEMENT ELEMENTS

A. Cash Management

Control Activities/Information and Communication

<u>Yes</u>	<u>N/A</u>	<u>No</u>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. Are requests for advance payment (A-19's) based on actual program needs?
			2. Are the following duties generally performed by different people?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	a. Preparing the request for payment from HCA (A-19)?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	b. Reviewing and approving the request for advance payment from HCA (A-19)?

B. Equipment and Real Property Management

Control Activities/Information and Communication

<u>Yes</u>	<u>N/A</u>	<u>No</u>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. Are all disposals of property approved by a designated person with proper authority?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. Has organization management chosen and documented the threshold level for capitalization in an internal policy/procedure book?

IV.COMPLIANCE SUPPLEMENT ELEMENTS (continued)

B. Equipment and Real Property Management

Control Activities/Information and Communication

<u>Yes</u>	<u>N/A</u>	<u>No</u>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. Is someone assigned custodial responsibility by location for all assets?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Is access to the perpetual fixed asset records limited to authorized individuals?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Is there adequate physical security surrounding the fixed asset items?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Is there adequate insurance coverage of the fixed asset items?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Is insurance coverage independently reviewed periodically?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Is a fixed asset inventory taken annually?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Are missing items investigated and reasons for them documented?

C. Procurement and Suspension and Debarment

Non-Federal entities are prohibited from contracting with or making sub awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for goods or services equal to or in excess of \$100,000 and all non-procurement transactions. [Http://www.sam.gov/](http://www.sam.gov/) This website is provided by the General Services Administration (GSA) for the purpose of disseminating information on parties that are excluded from receiving Federal contracts, certain subcontracts, and certain Federal financial and nonfinancial assistance and benefits.

Control Activities/Information and Communication

<u>Yes</u>	<u>N/A</u>	<u>No</u>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. Is there established segregation of duties between employees responsible for contracting; accounts payable and cash disbursing.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Is the contractor's performance included in the terms, conditions, and specifications of the contract monitored and documented?
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	3. Do supervisors review procurement and contracting decisions for compliance with Federal procurement policies?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. Are procedures established to verify that vendors providing goods and services under the award have not been suspended or debarred by the Federal government?

**C. Procurement and Suspension and Debarment
Control Activities/Information and Communication**

Yes N/A No

5. Are there written policies for the procurement and contracts establishing:
- | | | | |
|-------------------------------------|--------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | a. Contract files |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | b. Methods of procurement |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | c. Contractor rejection or selection |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | d. Basis of contract price |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | e. Verification of full and open competition |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | f. Requirements for cost or price analysis |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | g. Obtaining and reacting to suspension and debarment certifications |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | h. Other applicable requirements for Federal procurement |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | i. Conflict of interest |
6. Is there written policy addressing suspension and debarments of contractors?
7. Are there proper channels for communicating suspected procurement and contracting improprieties?
8. Does management perform periodic review of procurement and contracting activities to determine whether policies and procedures are being followed?

**D. Reporting
Control Activities/Information and Communication**

Yes N/A No

- | | | | |
|-------------------------------------|--------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 1. Are personnel responsible for submitting required reporting information adequately trained? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 2. Does management review required reports before submitting? |

**E. Single Audit
Control Activities/Information and Communication**

Yes N/A No

- | | | | |
|--------------------------|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 1. Was the organization audited by an objective accounting firm this past fiscal year? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. Did appropriate organization staff review the findings of the previous years' audit as preparation for the current year audit? |

E. Single Audit (continued)

Control Activities/Information and Communication

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

3. Have all audit findings and questioned costs from previous years been appropriately resolved?

V. CERTIFICATION

I hereby certify that the information presented in this self-assessment of internal controls and risk is true, accurate, and complete, to the best of my knowledge.

Organization Name North Sound Accountable Community of Health

Authorized Official Signature

A handwritten signature in black ink, appearing to read 'E. Chappell', written over a faint circular stamp.

Date January 28, 2019