



Job Aid

Establishing Internal Controls

This job aid provides specific tasks and measures for effective internal control as well as steps to establish them if they are not in place.

Task	Yes	No	Uncertain	If no, notes for implementation
Purchases of Goods and Services				
Are checks required to be countersigned?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ▶ When utilizing checks, ensure they are signed by the primary contact and a secondary.
Is signing blank checks prohibited?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ▶ Require all relevant employees to sign an internal controls document. ▶ Provide a ledger to record all incoming checks. ▶ Do not allow any employees to sign any checks that are not completely filled out.
Are purchases (procurements) guided by written policies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ▶ Record procurement policies in a place that is accessible to all employees. ▶ Train relevant employees in procurement policies upon onboarding and re-administer training annually.
Cash Receipts				
Is incoming mail (except bank statements) opened and are all cash receipts logged?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ▶ Clearly label the holding place of cash receipts and opened mail. ▶ Consider scanning a copy of all receipts and uploading to company database.
Are bank statements delivered unopened to the person responsible for reconciling them?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ▶ Train relevant staff in roles to ensure bank statements are delivered unopened to the person responsible for reconciling them. ▶ Have a secondary person responsible for reconciling bank statements in the event of primary staff illness, leave, or transition.
Are cash receipts held in a secure place and deposited on a regular basis?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ▶ Set up a semiweekly or weekly schedule to administer cash deposits. ▶ When conducting cash deposits, a minimum of two employees should attend. ▶ Consider scanning a copy of receipts and uploading to agency database. ▶ If cash receipts are held in person, they should be a locked file cabinet with two keys made—one for the relevant staff member and one for backup.



Online Banking				
Do you have more than one staff member responsible for online banking functions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ▶ Consider having more than one staff member responsible for online banking functions. ▶ If an employee who was responsible for online banking functions transitions or is terminated, develop a process for selecting a successor and changing applicable usernames, passwords, etc.
Do you have a clearing bank account?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ▶ Develop a clearing bank account to hold money that hasn't been cleared for regular bank deposit. ▶ Make sure to regularly clear out clearing bank accounts.
Do you have policies and procedures to develop and understand security authentication procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ▶ Ensure created policies and procedures are written down. ▶ Relevant staff must be trained on said policies and procedures. ▶ Record applicable usernames and passwords in a sealed file. ▶ When offered, utilize two-factor authentication and use a private company telephone number to provide authentication.
Payroll				
Are timesheets authorized by a person other than the person responsible for submitting payroll?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ▶ Consider having a third-party company handle organization payroll. ▶ If payroll is in-house, have a clear chain of command when approving/denying payroll.
Do employees prepare timesheets that include the amount of time they spend in each area or functional unit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ▶ Employees should record their time daily. ▶ Utilizing third-party software to complete timesheet can minimize conflicts of interest. ▶ Have multiple managerial approvers per management team. ▶ Top approver should be approved by someone else on team.
Is there a periodic review of the payroll classes and payrate for all employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ▶ Conduct an annual review of payroll classes. ▶ To minimize bias, consider sharing payroll classes and applicable salary bands.



Separation of Duties				
Are staff aware of their roles in the financial processes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ▶ On job postings, consider separating duties by section, with one of the sections being financial. ▶ On an organizational chart, note an individual's team and role. ▶ Orient new hires to the roles of others in the financial process. ▶ Ask staff to sign an agreement of understanding of roles in the financial process either annually or whenever the roles change, whichever comes first. ▶ Host document with roles and responsibility on agency server.
Have you developed procedures, so the same staff member does not perform two consecutive tasks in an accounting procedure?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>In small organizations:</p> <ul style="list-style-type: none"> ▶ Designate subtasks in a single process. ▶ Split subtasks between applicable staff, ensuring a single staff member does not have control over two consecutive tasks. ▶ Non-financial staff may have to take on a financial role in a small company. <p>In larger organizations:</p> <ul style="list-style-type: none"> ▶ Develop procedures so there is one role per staff member. ▶ Have multiple staff in a single role to provide back up during specific processes. ▶ Train staff in all procedures to ensure easy transition when primary staff are out of the office.
Is there a document showing each step of the accounting procedure for the specific area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> ▶ Develop a chart with each step of the accounting procedure. ▶ List the role responsible for handling each step of the accounting procedure. ▶ When the chart is completed, it should be accessible to every employee, financial or not. ▶ The chart should be reviewed and updated annually or whenever there is a relevant transition, whichever comes first.