

# UCSD - Audit & Management Advisory Services

Department \_\_\_\_\_ - Internal Control Questionnaire

Subject: Cash\* & Recharge Activities

\*Cash = Currency, coins, checks, money orders, and e-commerce transactions

|   |  |
|---|--|
| <b>Person Completing ICQ:</b>   |  |
| <b>Date:</b>  |  |
| <b>OBJECTIVES</b>   |  |
| The auditor will use the ICQ answers to assist in accomplishing the following objectives:   |  |
| <ul style="list-style-type: none"> <li>o To analyze controls over cash receipts</li> <li>o To determine that internal controls are effective and adequate to provide safeguards over assets, sales, recharges, billings and collections.</li> <li>o To determine that the unit is operating its cash and recharge activity efficiently and effectively.</li> <li>o To verify that financial reports related to cash and recharge operations are accurate, timely and complete.</li> </ul> |  |

| ICQ QUESTIONS |   | YES | NO | N/A | COMMENTS |
|---------------|---|-----|----|-----|----------|
| 1             | What types of revenue generating operations do you have?  |     |    |     |          |
|               | A What is the annual dollar amount of each and does it involve cash?  |     |    |     |          |
| 2             | Is individual accountability for cash maintained at all times? (i.e., once an employee has accepted cash and prepared a cash receipt, is that employee able to secure the cash so that no other employee has access to it?) |     |    |     |          |
|               | A Is the employee's access to cash limited based on function?   |     |    |     |          |
|               | B Are surprise cash counts conducted on a periodic basis?   |     |    |     |          |
| 3             | Are transfers of collections between custodians documented?   |     |    |     |          |
| 4             | Are all checks made payable to the Regents of the University of California, Regents - UC, or UC Regents?  |     |    |     |          |
| 5             | Are all checks restrictively endorsed immediately upon receipt and identified by accepting cashier?   |     |    |     |          |

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| 6             | Are all collections recorded on a receipt producing cash register or an official University of California pre-numbered receipt?   |     |    |     |          |
|               | A Are any receipt books other than official UC pre-numbered receipt books used?   |     |    |     |          |
|               | B Are cash receipts counted and balanced on a daily basis?  |     |    |     |          |
| 7             | Is the numerical sequence of cash receipts monitored?   |     |    |     |          |
| 8             | Are cash receipt forms pre-signed?  |     |    |     |          |
| 9             | For voided receipts:  |     |    |     |          |
|               | A Are all copies of the document involved retrieved?  |     |    |     |          |
|               | B Are all reasons for the voided transactions explained on the documents?   |     |    |     |          |
|               | C Are the voided documents approved, in writing, by supervisory personnel?  |     |    |     |          |
| 10            | Are reimbursements for personal use of departmental resources (e.g. photocopy/telephone etc.) or deposits for keys adequately secured and deposited in University accounts? |     |    |     |          |
| 11            | Is cash counted in an area not visible to customers or other non-employees?   |     |    |     |          |
| 12            | Are cash collections stored appropriately based on the cash limits described in BUS 49, Policy IX.5?  |     |    |     |          |
|               | A How frequently is cash deposited with the Central Cashier?  |     |    |     |          |
|               | B Who verifies the cash deposit?  |     |    |     |          |
|               | C Is the safe combination given only to supervisory and senior personnel who commit the combination to memory?  |     |    |     |          |
|               | D Is the recording of the combination maintained away from the safe?  |     |    |     |          |

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| E             | Is the combination changed whenever a person having the combination leaves the employ of a special or sub-cashier station, or at least once a year? |   |    |     |          |
| F             | Is a log maintained showing the dates and reasons for the combination changes?  |   |    |     |          |
| G             | Is the safe locked between deposits during business hours?  |   |    |     |          |
| H             | Is the safe on wheels, i.e., can it be moved around the office?   |   |    |     |          |
| 13            | If a cash register is used:   |   |    |     |          |
| A             | Does it print a receipt for each transaction with the date, campus, department, cashier, and transaction number?                                    |   |    |     |          |
| B             | Does it produce a customer receipt?   |   |    |     |          |
| C             | Is it controlled by consecutive numbers imprinted automatically opposite each transaction on the audit receipt and the customer receipt?            |   |    |     |          |
| D             | Is the ring-up amount visible to both the customer and the cashier?   |   |    |     |          |
| E             | Is a separate lockable cash accumulating key, cash register drawer, and cash drawer insert provided for each cashier?                               |   |    |     |          |
| F             | Is each cashier provided with a separate lockable compartment for change funds to which only that cashier has access?                               |   |    |     |          |
| G             | Are funds or property not related to the operation of the University stored in the safe/vault?  |   |    |     |          |
| 14            | Does the department maintain any outside bank accounts?   |   |    |     |          |
| A             | If yes:   |   |    |     |          |
|               | 1   | Is the account authorized?              |    |     |          |
|               | 2   | What are the sources and uses of funds? |    |     |          |
|               | 3   | Who has access to the funds?            |    |     |          |

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|---------------|---|--|-----|----|-----|----------|
|               | 4   | Who reconciles the account?  |     |    |     |          |
|               | 5   | Who reviews and approves the reconciliation?   |     |    |     |          |
| 15            | Are all Cashiers aware of BUS 49 and that it is available on the web?   |  |     |    |     |          |
|               | A   | Have all cashiers received Cash Handling training as described in BUS 49, Policy IX.15?  |     |    |     |          |
| 16            | Are copies of the Memorandum of Cash (MTC) and supporting detail forwarded directly to the Cashier's Office or the Accounting Office, as appropriate, on the day of deposit?                |  |     |    |     |          |
|               | A   | Are the MTC's approved by a supervisor?  |     |    |     |          |
|               | B   | Are cash receipts compared to deposit records?   |     |    |     |          |
| 17            | Is the deposit reviewed and reconciled to the general ledger on a timely basis?   |  |     |    |     |          |
| 18            | Are background checks performed on employees with cashiering duties in accordance with <u>UCSD Implementing Procedures (HR-S-1) 21/Appointment?</u>   |  |     |    |     |          |
|               | A   | Are employees with cashiering duties bonded under the Universities self-insurance program, in accordance with BUS 49, Policy IV.1?   |     |    |     |          |
| 19            | Does the department engage a third party to assist in the processing and management of cash? (e.g. lockbox services, credit/debit card processing, web/internet interfaces to clients etc.) |  |     |    |     |          |
|               | A   | Has the Banking Services Group approved the third-party relationship if the third-party is in possession of University assets to process University cash, cash equivalents and/or ACH entries? |     |    |     |          |

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|----------------------------|---|---|--|-----|----------|
| <b>Recharge Activities</b> |   |   |  |     |          |
| 20                         | Does the unit provide goods or services to non-University customers?  |   |  |     |          |
|                            | A   | If yes:   |  |     |          |
|                            |   | 1   | What is the nature of these services,                          |     |          |
|                            |   | 2   | What is the revenue from these activities for the Fiscal Year, |     |          |
|                            |   | 3   | Do these goods and services:                                   |     |          |
|                            |   | a   | Meet the test for uniqueness?                                  |     |          |
|                            |   | b   | Qualify as unrelated business income?                          |     |          |
|                            |   | c   | Is differential income assessed? How much? Basis?              |     |          |
| 21                         | Is credit extended to non-University customers?   |   |  |     |          |
|                            | A   | What process is in place to monitor accounts receivable?  |  |     |          |
| 22                         | Does the department submit recharge rates to the Recharge Rate Review Committee?                                      |   |  |     |          |
|                            | A   | How often?  |  |     |          |
|                            | B   | Date of last review?  |  |     |          |
| 23                         | How do you insure that the rates charged are in agreement with approved rates?  |   |  |     |          |
| 24                         | How do you ensure that the recharge budgets and statements provide for full cost recovery?                            |   |  |     |          |
| 25                         | Are any of the recharge activities running a deficit balance? If yes,:  |   |  |     |          |
|                            | A   | What is the reason?   |  |     |          |
|                            | B   | Is there a plan to insure the deficit does not significantly affect the fiscal viability of the unit? |  |     |          |
| 26                         | Are cost estimates provided to customers for approval prior to the start of the service or distribution of the goods? |   |  |     |          |

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| 27            | Does the department provide recharge service goods only upon receipt of an appropriate request form submitted by a user, or is a log maintained? |     |    |     |          |
| 28            | Do the forms, logs, or procedures for recharges indicate:  |     |    |     |          |
|               | A Goods or service provided,   |     |    |     |          |
|               | B Cost,  |     |    |     |          |
|               | C Department number for the index to be charged, and   |     |    |     |          |
|               | D Appropriate department approval?   |     |    |     |          |
| 29            | How often do you publish your recharge schedule of rates and prices?   |     |    |     |          |
| 30            | How do you maintain a record of orders and charges to requesting departments?  |     |    |     |          |
| 31            | Are the same rates being charged to all customers for identical services/goods?  |     |    |     |          |
| 32            | How do you verify that the recharge approver has the authority to do so?   |     |    |     |          |
| 33            | Are recorded revenues reconciled to independent estimates?   |     |    |     |          |
| 34            | Do recharge users receive detailed billing/statements for each sale of goods/services?   |     |    |     |          |