

UCSD - Audit & Management Advisory Services

Department _____ - Internal Control Questionnaire

Subject: Non-Payroll Expenditures

Person Completing ICQ:	
Date:	
OBJECTIVES	
The auditor will use the ICQ answers to assist in accomplishing the following objectives:	
<ul style="list-style-type: none"> o To determine whether the department has complied with applicable policies and procedures in the areas of purchases, administration of federal grants and contracts, telephone and garage charges, travel, removal and moving expenses, entertainment, use of independent contractors and consultants, cost transfers and record keeping. o To determine whether internal controls over non-payroll expenditures are adequate and functioning properly. 	

ICQ QUESTIONS		YES	NO	N/A	COMMENTS
1	Are signature authorizations reviewed and updated on a periodic basis?				
2	Are IFIS approval hierarchies appropriately established with preparer, approver and alternates roles?				
A	Are approval hierarchies updated for separated employees or change in employee responsibilities as appropriate?				
B	Is the approver someone who does not report directly/indirectly to the person initiating the transaction/incurred the expense?				
C	Who approves the Chair's expenses?				
D	Do employees ever approve payments to themselves?				
3	Is the Departmental Operating Ledger reconciled on a monthly basis to determine the validity of the charges and credits to the accounts?				
A	Is the review documented using Ledger Reviewer?				

UCSD - Audit & Management Advisory Services

Department _____ - Internal Control Questionnaire

Subject: Non-Payroll Expenditures

ICQ QUESTIONS		YES	NO	N/A	COMMENTS
4	Are non-IFIS ledgers prepared and maintained for the departmental accounts?				
	A If yes, are these ledgers reconciled to the campus Operating Ledger monthly?				
5	Do principal investigators receive a copy of the campus Operating Ledger or other financial report, for their accounts?				
	A If yes, how often?				
6	Are travel and entertainment expenses always preauthorized?				
7	Are disbursements made from unrecorded cash receipts?				
8	For purchases, who determines the fund and account to charge?				
9	What controls exist in the department to ensure costs to be charged to extramural funds are allowable prior to placing an order?				
	A Who is responsible for this function?				
10	Are account balances reviewed for availability of funds prior to placing an order?				
11	What are the procedures to ensure that the best possible price is obtained for purchases not subject to competitive bidding requirements?				
12	What are the procedures to ensure that the department complies with ethical buying practices and policies?				
13	Are there procedures for verifying quantities being requested are appropriate?				
	A If yes, what are those procedures?				
14	Are vendor-specific requests ever made?				
	A If yes, what would be the justification?				
15	Does the department allow purchases to be split among two or more sponsored projects when one or more of the sponsored projects is due to expire soon after the purchase?				
	A If yes, what procedures ensure that the purchase is allocable to all awards being charged?				

UCSD - Audit & Management Advisory Services

Department _____ - Internal Control Questionnaire

Subject: Non-Payroll Expenditures

ICQ QUESTIONS		YES	NO	N/A	COMMENTS
16	Are appropriate approvals obtained prior to the purchase commitment?				
17	Have marketplace shopper, buyer and approver roles been established in Business Unit Management Tool (BUMT)?				
	A If yes, is BUMT updated for employee transfers?				
18	Are Electronic Non-Payroll Expense Transfers (ENPET) used to correct erroneous recordings on the Operating Ledger or to change costs posted on one organization/program/fund/index/acct to another?				
	A If yes, has this been performed in the last 12 months?				
19	What controls exist in the department and who is responsible to ensure proper approval is obtained for the reimbursement of entertainment expenses?				
20	What controls exist in the department and who is responsible to ensure claims for reimbursement are supported with appropriate invoices or receipts?				
21	Have any credit cards such as the UCSD Travel Card, Travel Event Planner Card, and Express Card been issued to department personnel?				
	A How are expenditures on these accounts monitored to ensure charges are in accordance with UC policy, fund source restrictions etc.?				
	B What controls exist in the department to ensure:				
	1 No personal expenses are charged with the card; and				
	2 Any such card is returned or canceled when the card holder terminates or otherwise become ineligible to hold the card?				
	3 The express card reviewer does not report directly/indirectly to the cardholder?				

UCSD - Audit & Management Advisory Services

Department _____ - Internal Control Questionnaire

Subject: Non-Payroll Expenditures

ICQ QUESTIONS			YES	NO	N/A	COMMENTS
	4	Who is responsible for execution of these controls?				
22		Have any departmental personnel engaged in travel with business or first class airfare?				
	A	If yes, did travel meet appropriate exceptions or written advance approval obtained from the Director of Travel?				
23		Did any foreign travel on federal funds comply with the Fly America Act regulations?				
24		What controls exist in the department and who is responsible to ensure travel expenses are reported within a 60 day period (BFB G-28)?				
25		Have any academic or staff personnel permanently assigned to the department incurred moving expenses that were charged to the department?				
	A	If yes, what controls exist in the department and who is responsible to ensure all charged expenses were allowable?				
26		Has the department generated invoices to individuals, firms or agencies for student or employee fines, departmental services, or special agreements? (ISIS A/R System)				
		If yes:				
	A	Who is responsible for preparing these invoices?				
	B	What follow up is performed for items rejected from the ISIS A/R System?				
	C	What controls exist in the department and who is responsible to ensure follow up on receipt of payments from ISIS invoices?				
27		How do you ensure that goods and services ordered have been received?				
	A	What controls exist in the department to ensure goods/inventory received are compared to the packing list and packing slips maintained in the unit's purchasing files?				

UCSD - Audit & Management Advisory Services

Department _____ - Internal Control Questionnaire

Subject: Non-Payroll Expenditures

ICQ QUESTIONS		YES	NO	N/A	COMMENTS
	B Who is responsible for this function?				
	C How are the goods secured?				
	D Who has access to inventory stock?				
	E Are inventory checks performed periodically?				
28	Does the department procure, receive, store, control, or dispose of narcotics, dangerous drugs, or restricted chemicals?				
	A If yes, what controls exist in the department to ensure controlled substances are handled in accordance with University policy? Please indicate the substance and function.				
	1 Who is responsible for this control?				
29	What controls exist to ensure conflict of interest policies are specified and disseminated to unit employees responsible for purchase order vendor selection?				
	A Who is responsible for these controls?				
30	Within the last 12 months, has the department secured the services of:				
	A An independent consultant?				
	1 Identify the nature of the consulting assignment and the completed product (report) provided to the University.				
	B An independent contractor? (If yes, continue, if no, stop.)				
	1 Identify the nature of the contractor(s) assignment(s) and the benefit to the University.				
	If 38A or 38B were "yes" continue, otherwise, stop.				
31	What controls exist in the department to certify the consulting or contracting service was necessary?				
32	What controls exist in the department to ensure a written request for consulting services was presented to and approved by the appropriate responsible administrative office (at UCSD, Central Purchasing)?				
	A Who is responsible for this control?				

UCSD - Audit & Management Advisory Services

Department _____ - Internal Control Questionnaire

Subject: Non-Payroll Expenditures

ICQ QUESTIONS		YES	NO	N/A	COMMENTS
33	What controls exist in the department to ensure standard agreements as defined in appropriate UCSD policies were used to execute the agreement between the University and the consultant or contractor?				
	A Who is responsible for this control?				
34	Were "progress payments" made to the consultant or contractor during the course of the contract?				
	A If so, what controls exist in the department to ensure that progress was actually made as reflected on the invoice?				
	1 Who is responsible for this control?				
35	What controls exist in the department and to ensure a "Statement of Completion" or other document was received indicating the termination of the contracted tasks?				
	A Who is responsible for this function?				
36	What controls exist in the department to ensure a Change Order was submitted to cancel any unused portion of the original PO if necessary?				
	A Who is responsible for this function?				
37	What controls exist in the department to ensure a PO revisions was submitted to cancel any unused portion of the original PO if necessary?				
	A Who is responsible for this function?				
Additional TTO-Specific Questions:					
45	Who performs approval of legal invoices (patent prosecution) for reimbursement?				
	A Are there dollar thresholds? <i>(If so, please list in comments)</i>				
	B Since invoices are approved by line item, are different line items reviewed by different approvers?				
46	What happens if patent prosecution exceeds licensee payments? (i.e., how is cash flow managed?)				

UCSD - Audit & Management Advisory Services

Department _____ - Internal Control Questionnaire

Subject: Non-Payroll Expenditures

47	How are legal invoices matched to the Agreement?				
	A Are there any instances where patent prosecution expenses are paid without supporting documentation?				
48	Are there any standard due diligence procedures performed on legal invoices to ensure:				
	A Legal expenses being reimbursed are allowable per the original Agreement?				
	B Legal expenses are reasonable in amount?				
49	With PTS NUI now implemented, are any physical invoices still received and processed?				
50	Are aging invoices tracked to ensure timely payment? <i>(If so, please describe process in comments.)</i>				
51	Under what circumstances will TTO decline to pay a legal invoice?				
52	When invoice payments are made, how are payments matched to invoices?				
53					