

ICSA – Fixed Assets & Inventory (due April 30, 2023)

Each agency is responsible for establishing and maintaining an effective system of internal control. Internal controls can provide reasonable, but not absolute, assurance that an agency's objectives—including the prevention or detection of fraud, waste and abuse—will be met. More information about internal controls and minimal internal control structure requirements can be found in Topic 05 of the State of Arizona Accounting Manual (SAAM). The internal control self-assessment is meant as a catalyst to improve agency operations and achieve agency objectives.

This survey is a self-assessment of certain internal control practices within your agency in the areas of Fixed Assets and Inventory. Some of these practices may not be required by policy but are nonetheless considered best practices.

If your response to a survey item is sensitive in nature, contact GAO's Internal Audit Unit (gaointernalaudit@azdoa.gov, 602-291-0506) directly to discuss.

The items in this survey are to be rated, using either Yes/No/NA or the 5-point scale as indicated by each question. The following guidance is provided for the 5-point scale ratings:

Not Applicable (0) – Practice does not apply.

Needs Improvement (1) – Practices have not been fully implemented or are intermittent; acceptable quality and timeliness are recurring challenges.

Fair (2) – Practices meet the minimum expectations but are not consistently monitored; acceptable quality and timeliness are inconsistent.

Good (3) – Practices meet expectations and are monitored frequently; acceptable quality and timeliness are consistent.

Very Good (4) – Practices exceed expectations; quality and timeliness are consistently above average.

Excellent (5) – Practices serve as a model for other agencies and other states; quality and timeliness exceed expectations; best-in-class results.

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EMAIL:

Agency Name:

Contact Name (First and Last):

Contact Number (Work Phone):

EIN:

CFO/CFO Designee Email Address:

Fixed Assets (Capital and Stewardship Assets)

Internal controls over fixed assets help safeguard agency assets while keeping accurate and timely records for proper accounting and reporting. The survey items below are driven by SAAM policies and best practices.

1. Agency has long-lived resources, including capital assets, IT resources (as defined in SAAM 2515), infrastructure assets or stewardship (memo) resources. (Y/N) - If N, skip questions 2-8.
2. All long-lived resources, including capital assets, IT resources (as defined in SAAM 2515), infrastructure assets and stewardship resources are recorded in AFIS within one (1) calendar month of their acquisition per SAAM 2505. (1-5 Scale) Note: All agencies, including CSB agencies, have a responsibility to track IT items exceeding \$250, not just capitalized items, per SAAM 2515.
3. Are you tracking your fixed assets and recording additions and deletions timely (in accordance with SAAM)? (Y/N)
4. All long-lived resources, including capital assets, IT resources (as defined in SAAM 2515), infrastructure assets and stewardship resources are recorded in AFIS within 10 business days of their disposal per SAAM 2505. (0-5 scale)
5. Physical counts of all fixed assets are conducted at least annually per SAAM 2505. (Y/N)
6. Agency follows SAAM 2540 Inventory Procedures for Long-Lived Resources when performing the physical count of fixed assets. (1-5 scale)
7. The current location of fixed assets is adequately maintained in AFIS. (0-5 scale)
8. Agency reports lost, stolen or destroyed fixed assets or other non-expendable materials through the Surplus Property Management Office to the State Comptroller within the required timeframes as defined in SAAM 2505. (Y/N)

Comments:

Add comments/clarity for all questions where your agency has selected NA. You may add additional comments as necessary.

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Inventory

SAAM 2040 deals specifically with inventories of articles that are not considered long-lived, i.e., goods held for resale and supplies. Internal controls over inventory help safeguard assets while keeping accurate and timely records for proper accounting and reporting. The survey items below are driven by SAAM policies and best practices.

9. Agency maintains supply inventory or goods held for resale. (Y/N) - If N, submit survey.
10. Describe the system/process used to manage inventory (e.g., AFIS Inventory Management Module (IMM), agency specific software, etc). (Comment Box only)
11. Physical access to inventories is restricted to authorized personnel. (Y/N)
12. Physical counts of inventory are conducted at least annually. (Y/N)
13. Agency has established and maintains written procedures to ensure SAAM 2040 requirements are met when performing physical count of inventories. (Y/N)

Agency practices over physical inventories are consistently followed to ensure they are:

- 13a. Supervised by someone independent of the custodial or record keeping functions. (1-5 scale)
- 13b. Conducted by or tested by employees independent of the area being inventoried. (1-5 scale)
- 13c. Recorded on permanent inventory count sheets, signed by the persons conducting and supervising the counts. (1-5- scale)
- 13d. Planned to provide provisions for cut-off of receipts and issues. (1-5 scale)
- 13e. Reflected and adjusted in the inventory records, based on the actual inventory quantities. (1-5 scale)

Comments:

Add comments/clarity for all questions where your agency has selected NA. You may add additional comments as necessary.