ICSA– Control Environment (due April 30, 2025)

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 area of Control Environment. 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:
Contact Name (First and Last):
Contact Number:
EIN:
CFO/CFO Designee Email Address:

Control Environment –

The control environment refers to the overall attitude, awareness and actions of management regarding the system of internal controls and its importance to the agency. In part, the control environment is expressed through the integrity and ethical values demonstrated by and insisted upon by the agency's leadership—which is to say, the tone at the top. The tone at the top sets an agency's guiding values and ethical climate and has a trickle-down effect on employees of the agency. The organization's structure, policies and practices are all components of the control environment. The survey items below are driven by SAAM policies and best practices.

CSB Agencies - *If your agency contracts with Central Services Bureau (CSB) for these services, CSB will work with your agency to help complete the survey. The agency is responsible for submitting the survey online.*

1. The agency leadership has established and maintains a culture of integrity and high ethical standards (SAAM 0505).(1-5 scale)
2. Each agency employee is trained on and acknowledges in writing (signature) their understanding of either the Standards of Conduct as described in the State Personnel System Employee Handbook, or expected standards of ethical and moral behavior as described by the agency. (1-5 scale)
3. As required by A.R.S. §38-501 through 511 and SAAM 0535, each agency employee and board/committee member discloses in writing all substantial interests and these documents are maintained for public inspection. (1-5 scale)
4. Objectives, goals and performance measures are established and communicated for key areas (e.g., operations, financial reporting, compliance, etc.) and reviewed by senior management periodically as appropriate. (1-5 scale)
5. The agency has a mechanism for employees to report suspected fraud, theft, waste or abuse. (1-5 scale)
6. The agency has a phone number, email, or webpage for individuals to report potential fraud. (Yes/No) If Yes, please indicate the phone number, email, or web link on the next question in 6a.
   6a.
7. All instances (even suspected instances) of fraud, theft, waste or abuse have been, are, or will be reported to GAO (reportfraud@azdoa.gov), the Auditor General and Attorney General (SAAM 0530). (1-5 scale)
8. The agency maintains an up-to-date organizational chart that clearly defines the lines of management authority and responsibility. (1-5 scale)

9. The agency maintains up-to-date written position descriptions that detail each position's responsibilities and qualifications. (0-5 scale)
10. The agency has implemented and follows statewide policies as required by SAAM (https://gao.az.gov/publications/saam). (1-5 scale)
11. The agency is aware of SAAM 0015 and consistently follows the policy when requesting exceptions to GAO policies and procedures. (1-5 scale)
12. If the agency has developed agency-specific versions of GAO forms, they have been reviewed and approved by GAO per SAAM 0008. (0-5 scale)
13. The agency has implemented and follows all required Statewide IT Policies, Standards and Procedures (ADOA). These Statewide IT Policies, Standards and Procedures can be found at the following links: https://aset.az.gov/policies-standards-and-procedures and https://azdohs.gov/information-technology-it-policies-standards-and-procedures. (0-5 scale)
14. The agency has written policies and procedures for all major areas that are periodically (at least annually) reviewed and approved by senior management and readily available for use by all employees. (Yes/No) If no, skip to 14b.
    14a. Rate your agency's written policies and procedures (1-5 scale).
    14b. The agency has unwritten best practices that the agency follows (Y/N). If N, skip to #15.
    14c. Rate your agency's unwritten best practices (1-5 scale)?
15. The agency has a process to communicate and train employees on new and updated policies. (1-5 scale)
    15a. Describe how policies are communicated to employees and how employees are trained on both new and updated policies. (Comment Box Only)
16. As required by SAAM 0010, the agency has all appropriate personnel registered to receive electronic distribution of GAO Notifications, Forms and Policy statements. (0-5 scale)
17. The agency performs the Monthly Financial Review and Verification as required by SAAM 0525. (0-5 scale)
18. The agency reviews and verifies payroll monthly per SAAM 5505. (0-5 scale)
19. Employees are cross-trained to ensure the uninterrupted performance of necessary functions. (0-5 scale)
20. Employees in supervisory positions are unrelated to their subordinates by either blood or marriage. (0-5 scale)
21. Policies are in place and communicated to identify and address instances of nepotism, and/or cronyism. (0-5 scale)
22. The agency has implemented and follows state requirements as prescribed by Arizona State Library, Archives and Public Records (LAPR). (0-5 scale)
23. The agency has internal audit staff. (Y/N) if N, skip to 24.
    23a. Describe the scope of work. (Comment Box Only)
24. The agency engages the services of an external (to the State), independent certified public accountant for any purposes. (Y/N/NA) if N/NA skip to 25.

24a. Describe the frequency, nature, and reporting of those services. (Comment Box Only)
25. Identify the three most significant risks to the agency, regardless of whether or not they are sufficiently mitigated. (Comment Box Only)
26. Are there any areas or topics where your agency could benefit with additional information, training, forms, policy, etc.? (Comment box only - optional)

Comments:

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