

## ICSA - Cash, Cash Receipts, Accounts Receivable and Billing (due April 30, 2022)

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 Cash, Cash Receipts, Accounts Receivable and Billing. 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](mailto:gaointernalaudit@azdoa.gov), 602-291-0506) directly to discuss it.

The items in this survey are to be rated, using either Yes/No/N/A 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 (Work Phone):

EIN:

CFO/CFO Designee Email Address:

### Cash and Cash Receipt

Cash and cash receipt internal controls help ensure monies owed to the agency are collected, deposited, and recorded in a timely manner, while properly safeguarding assets. Cash equivalents include, but are not limited to, checks, money orders, warrants, electronic funds transfers and payment cards. The survey items below are driven by SAAM policy 2005, 2010 and best practices.

1. Agency collects cash, cash equivalents, or funds. (Y/N) if no submit survey
2. Agency collects cash or checks in person or via mail. (Y/N) if no skip to 12.
3. Written policies and procedures are maintained and followed on all cashing and cash controls. (0-5 scale)
4. Written policies, procedures, and standard work are followed to ensure the collection and timely deposit of monies are recorded in the accounting records at each cash-receiving location. (0-5 scale)
5. A sequential mechanism or unique identifier for each receipt transaction (e.g., cash register tape or pre-numbered receipt book, transaction ID for electronic receipts, etc.) is used. (Y/N)
6. Cash or cash equivalents are recorded by the agency on the day it is received. (0-5 scale)
7. Incoming checks are restrictively endorsed on the back with a stamp at the initial point of receipt or restrictively endorsed when scanning through the Cash Pro process. (Y/N/NA)
8. A receipt log or register tape is maintained, reviewed, and reconciled to the deposits. (0-5 scale)
9. Are disbursements made from cash receipts or register cash? (Y/N/N/A)
10. Agency receives cash or cash equivalents via mail. (Y/N/N/A) if no/N/A skip to 11.
  - 10a All incoming mail is opened with two persons present. (1-5 scale)
11. Agency uses a sub-system (e.g. licensing tracking system, etc.) to record cash receipts. (Y/N) if no skip to 12.
  - 11a. Agency reconciles all sub-systems to AFIS, and AFIS to sub-systems, at a minimum, on a monthly basis. (Y/N)
  - 11b. Identify the sub-system (name) and explain what it is used for (comments section).
12. All bank accounts are authorized by the State Treasurer. (Y/N/N/A)
13. The deposit with the Treasurer or bank is reconciled by a person not involved in the receiving, recording of receipts, or physically making the deposit. (Y/N/N/A)
14. Bank account reconciliations are performed by someone not involved in cash receipts or disbursement functions. (Y/N/N/A)
15. Bank account reconciliations are performed monthly. (Y/N/N/A)

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16. Agency has written policies and procedures regarding write-offs and adjustments (e.g. NSF checks, Favorable and Unfavorable Deposits). (Y/N)
17. The Attorney General's Office is notified when delinquent collections become over one hundred twenty (120) days old. (Y/N/N/A)
18. The following responsibilities are performed by different people: cash receipts entry, journal entries posting, and related transaction approvals. (0-5 scale)
19. Agency charges for goods and/or services based on authorized fees and rates where applicable. (Y/N/N/A)

### Comments:

Please add comments/clarity for all questions where your agency has selected N/A. You may add additional comments as necessary.

### Accounts Receivable and Billing

Internal controls over accounts receivable and billings help to ensure that monies owed to the agency are recorded and money collected is deposited in a timely manner, while properly safeguarding assets. The survey items below are driven by SAAM policy 2020, 2022 and best practices.

20. Agency bills customers. (Y/N/N/A) (If No/N/A skip to #24)
21. Written policies, procedures, and standard work are followed to ensure customer billing statements are prepared and sent as soon as possible, but not more than thirty (30) days after the sale of goods or performance of services. (1-5 scale)
22. An aging schedule of accounts receivable is prepared monthly and reviewed by management. (Y/N)
23. Past due balances are investigated at least monthly. (Y/N)
24. Agency has written policies and procedures regarding refunds of overpayments and billing adjustments (Y/N/N/A)
25. All adjustments to accounts receivables and/or refunds are properly authorized. (Y/N/N/A)
26. The following responsibilities are performed by different people: billing, collecting, and depositing. (0-5 scale)
27. Credit balances in accounts receivable are investigated within 30 days and resolved within 60 days of discovery. (Y/N/N/A)
28. Monthly reconciliations are performed between the detailed accounts receivable (agency sub-system) and general ledger control totals (AFIS). (Y/N/N/A)

### Comments:

Please add comments/clarity for all questions where your agency has selected N/A. You may add additional comments as necessary.