

## ICSA – Financial Reporting & Budgeting (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 Financial Reporting and Budgeting. 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 Name:

Contact Name (First and Last):

Contact Number (Work Phone):

EIN:

CFO/CFO Designee Email Address:

### Financial Reporting & Budgeting

Internal controls over financial reporting and budgeting help to ensure timely and accurate financial reporting while also preventing and/or detecting irregularities. Timely and accurate financial reports help management make informed decisions for the agency. The survey items below are driven by SAAM policies and best practices.

1. The principal accounting officer (CFO or equivalent) and/or Executive Director is responsible for all accounting records. Note: A contract with CSB does not negate an agency's responsibility and oversight over its financial records (Y/N).
2. Accounting employees at all locations are under the direct or indirect (such as can be the situation for CSB contracted agencies) supervision of the principal accounting officer (CFO or equivalent) and/or Executive Director (SAAM 0505) (Y/N).
3. Accounting employees take annual vacations for uninterrupted periods of a week or more, and their work is performed by another employee during their absence (0-5). Please comment on what actions are being taken to mitigate this risk.  
3a.
4. Management reviews financial trends on a monthly basis, or no less than quarterly, comparing the current fiscal year to the same period in previous years (Y/N).
5. Management reviews budget-to-actual variances each month (Y/N).
6. The availability of funds are reviewed by the accounting department, budget officer, or upper management before significant purchases or expenditures are obligated (Y/N).
7. Agency has standard work, policies, or procedures to identify confidential and sensitive information to ensure it is not displayed on the State's official transparency website (A.R.S. § 41-725 and SAAM 9015) (Y/N).
8. If there are any relevant changes to confidential and sensitive information, it is reported to GAO within 30 calendar days using Form GAO-701 Transparency Confidentiality Certification (SAAM 9015) (Y/N).
9. Agency has internal controls in place to ensure integrity of financial transactions (e.g., accurate, complete and consistent data, errors are corrected timely, etc.) (1-5).
10. Agency has appropriate processes in place to identify restricted funds, and reviews all governing documents to ensure compliance with the use of the funds (0-5).

### Comments:

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