

Diocese of Ontario

**INTERNAL CONTROL QUESTIONNAIRE**

For churches that already have an accounting system in place, periodic review of the accounting policies and procedures should be made. The Internal Control Questionnaire set out here can be used as a checklist for periodic review and evaluation of an existing system. Some questions clearly will not be applicable to every church, but consideration of them and whether they are, in fact, applicable to your church is a useful exercise.

Question	Yes	No	N/A
<b>I. General</b>			
1. Are prior internal control questionnaires available?			
2. Have recommendations of prior reports on internal controls been implemented?			
3. Is a complete and current chart of accounts available? (listing all accounts and their respective account numbers)			
4. Is the accounting system using a double-entry bookkeeping method?			
<b>II. Budget</b>			
1. Is the budget approved by Vestry?			
2. Are all changes to the budget authorized by Vestry and recorded in the minutes of the meetings?			
<b>III. Reporting</b>			
1. Is the Treasurer's report in sufficient detail to inform the reader as to the nature of various items of income and disbursements?			
2. Does the report present the current actual financial data compared with the approved budget?			
3. Is there periodic reporting, at least quarterly, of all other funds and activities, including designated or restricted funds?			
4. Is a financial briefing or update provided to members of the Vestry who were unable to attend the Annual Meeting?			
<b>IV. Cash Receipts</b>			
1. Are there safeguards to protect the collections from theft or misplacement from the time of receipt to the time the funds are counted and deposited?			
2. Are the collection receipts counted and deposited so that the deposit equals the entire amount of receipts on a timely basis, i.e., at least weekly?			
3. Are there at least two unrelated persons responsible for the counting and depositing of the collections?			
4. Are the persons responsible for counting receipts rotated periodically?			
<b>IV. Cash Receipts (continued)</b>			
5. Do the counters have a standardized form for recording the deposit information?			
6. Are the counters' sheets retained and reconciled with actual deposits, and are all discrepancies investigated?			
7. Is the cashing of cheques out of currency received prohibited?			
8. Are third-party cheques returned to donors?			
9. Are all pledge envelopes retained and reconciled to the recorded amounts?			
10. Are all other cash receipts recorded and deposited on a timely basis?			
11. Are all cheques received endorsed "for deposit only" immediately on receipt?			
12. Are there procedures that will highlight, or bring to someone's attention, the fact that all receipts or income have not been received or recorded?			
13. Are periodic statements provided to donors, i.e., at least quarterly?			

	Yes	No	N/A
<b>V. Cash disbursements</b>			
1. Are all disbursements made by cheque, except for small expenditures made through petty cash?			
2. Are all cheques pre-numbered and used in sequence?			
3. Is there a clearly defined approval process for all disbursements?			
4. Are all voided cheques properly cancelled and retained?			
5. Are all cheques made payable to specified payees and not cash or bearer?			
6. Are all disbursements supported by original documentation?			
7. Is the original vendor's invoice or other documentation 'marked paid' at the time of signature to prevent duplicate payment?			
<b>VI. Cheque signing</b>			
1. Is the signing of blank cheques prohibited?			
2. Is the use of a signature stamp or pre-printed signatures prohibited?			
3. Does all supporting documentation accompany cheques presented for signature?			
4. Are all account signers authorized by Vestry?			
5. Is more than one signature required for any cheque?			
6. If not, do cheques for more than \$500 require more than one signature?			
7. If signature imprint machines are used, are the keys kept under lock and key except when in use?			
<b>VII. Journal entries</b>			
1. Is there an appropriate explanation accompanying each journal entry?			
2. Are all journal entries approved by a knowledgeable person of authority other than the person initiating the entry?			
3. Is adequate documentation maintained to support each journal entry?			
<b>VIII. Bank account reconciliation</b>			
1. Are all bank accounts reconciled within 10 days of receipt?			
2. Are the tasks of opening and reconciling the bank statement performed by two different people?			
<b>VIII. Bank account reconciliation (Cont'd)</b>			
3. Are bank account reconciliations completed by someone other than the person who participates in the receipt or disbursement of cash?			
4. Are all journal entries for bank charges and bank account interest recorded routinely?			
<b>IX. Petty cash</b>			
1. Is the responsibility for the petty cash fund assigned to only one person?			
2. Is there adequate review of documentation before the fund is reimbursed?			
3. Is the petty cash fund reimbursed at least monthly?			
4. Is the actual petty cash protected from theft or misplacement?			

	Yes	No	N/A
<b>X. Investments</b>			
1. Are all investment instruments held in the name of the church only?			
2. Is authorization for the sale and/or purchase of investments provided for by Vestry?			
3. Are all investment instruments adequately protected from fire, theft, or misplacement?			
4. Are the dividends/interest recorded?			
<b>XI. Property and equipment</b>			
1. Is formal approval of Vestry required for all property and equipment additions and dispositions?			
2. Is a detailed inventory of all property, furniture, fixtures and equipment maintained, showing: date acquired, detailed description, cost or fair value at time of donations and any funding source restrictions?			
3. Is a periodic review conducted to compare actual property, furniture and fixtures and equipment to the recorded inventory listing?			
4. Is a periodic review conducted to ensure adequacy of the insurance coverage?			
<b>XII. Liabilities and other debt</b>			
1. Is all borrowing or indebtedness authorized by Vestry and the appropriate Diocesan committee?			
2. Are all liabilities noted on Financial Statements and reports to Vestry?			
<b>XIII. Restricted gifts and income</b>			
1. Are records maintained of all bequests, memorials, endowments or other restricted gifts to include: date, amount and donor of gift and any restrictions or limitations?			
2. Are the income and other transactions periodically reported to Vestry?			
<b>XIV. Payroll</b>			
1. Are personnel files maintained to include: employment application and/or letter of employment? Authorizations of pay rates and effective dates? Necessary Revenue Canada filings?			
2. Are there adequate record to: show computation of gross pay? to account for all deductions from gross pay, to support payroll tax returns?			
3. Are payroll withholdings remitted on a timely basis?			
4. Are payroll tax returns filed on a timely basis?			
<b>XV. Computer systems</b>			
1. Are current or duplicate copies of the operating system and programs maintained off premises?			
2. Are the files backed-up at least weekly and the backups maintained off premises?			
3. Is a printed copy retained of all journals, general ledger, financial statements and any other computerized records?			