

INTERNAL CONTROLS OVER COMPLIANCE WITH LAWS AND REGULATIONS

NAME OF ENTITY _____

YEAR END _____

| | Yes | No | N/A | Observed? | Suitably Designed? |
|---|-----|----|-----|-----------|--------------------|
| PUBLIC BID LAW | | | | | |
| Persons responsible for procurement of goods and services are knowledgeable about the requirements of the public bid law. | | | | | |
| Newly elected or hired officials are provided with an orientation of the bid requirements. | | | | | |
| Public bids are required for materials purchases in excess of \$_____ ; public works contracts in excess of \$_____ ; professional services in excess of \$_____ ; Other: | | | | | |
| Expenditures that require public bids are required to be advertised ___times over a period of _____ days. | | | | | |
| Copies of tear sheets are required to be retained as proof of advertisement | | | | | |
| A record of all bids received is required to be maintained. | | | | | |
| Contracts are required to be awarded to the lowest responsible bidder. | | | | | |
| Quotes are required for purchases below the bid threshold but more than \$_____. | | | | | |
| Quotes are required to be maintained in the same manner as bid documentation. | | | | | |
| Emergency purchases require formal action of the governing board declaring an emergency in a public meeting. | | | | | |
| Other controls that exist: | | | | | |
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| | Yes | No | N/A | Observed? | Suitably Designed? |
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| BUDGET LAW | | | | | |
| Management and those charged with governance are knowledgeable about the requirements of the budget law. | | | | | |
| Newly elected or hired officials are provided with an orientation of the budget and amendment requirements. | | | | | |
| Budgets are required for: ___General fund ___Special revenue funds ___ Other (describe)_____ | | | | | |
| Budgeted expenditures cannot exceed budgeted revenues (plus fund balance/excluding fund balance) | | | | | |
| A proposed budget is required to be presented to those charged with governance _____ days before the beginning of the fiscal year. | | | | | |
| The proposed budget must include a budget message highlighting the most important features. | | | | | |
| A summary of the proposed budget is required to be published along with the availability of the complete budget at least _____ days before the beginning of the fiscal year. | | | | | |
| At least one public hearing on the budget is required to be advertised. | | | | | |
| The budget is required to be adopted in open session. | | | | | |
| Notice of completion of the required procedures is required to be published. | | | | | |
| A certified copy of the budget is required to be retained by the chief executive officer. | | | | | |
| The adopted budget is required to be monitored monthly to determine whether amendments are required. | | | | | |
| Amendments to the budget are subject to the same requirements as the original adoption of the budget. | | | | | |
| Other controls that exist: | | | | | |
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| | Yes | No | N/A | Observed? | Suitably Designed? |
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| CODE OF ETHICS | | | | | |
| Management and those charged with governance are knowledgeable about the requirements of the Code of Ethics for Elected Officials. | | | | | |
| Newly elected or hired officials are provided with an orientation of the Code of Ethics requirements. | | | | | |
| Employees are provided with the Code of Ethics for Public Employees and trained on its requirements. | | | | | |
| Administrative and elected officials are required to provide the entity with a list of the members of their immediate families and businesses in which they have a pecuniary interest. | | | | | |
| Employees responsible for procurement of goods and services are aware of those entities and have been instructed not to enter any transactions with any disqualified parties or enterprises. | | | | | |
| Human resource personnel have been made aware of disqualified parties. | | | | | |
| Guidance is provided on recognizing conflicts of interest. | | | | | |
| Management and those charged encourage employees to seek clarification when not certain whether transactions are consistent with the Code of Ethics. | | | | | |
| Other controls that exist: | | | | | |
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| | Yes | No | N/A | Observed? | Suitably Designed? |
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| ACCOUNTING, AUDITING AND RECORD KEEPING LAWS | | | | | |
| Management and those charged with governance are knowledgeable about the requirements of maintaining public records, as well as audit and reporting requirements. | | | | | |
| Newly elected or hired officials are provided with an orientation of the applicable requirements. | | | | | |
| Records are required to be maintained of all assets, liabilities, revenues and expenditures. | | | | | |
| A records retention policy has been adopted which requires that public records be maintained for a period of ____ years. | | | | | |
| Annual audited financial statements are required to be submitted on a timely basis. | | | | | |
| Other controls that exist: | | | | | |
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| | Yes | No | N/A | Observed? | Suitably Designed? |
|--|-----|----|-----|-----------|--------------------|
| OPEN MEETINGS LAW | | | | | |
| Management and those charged with governance are knowledgeable about the requirements of the open meetings law. | | | | | |
| Newly elected and hired officials are provided with an orientation of the open meetings requirements. | | | | | |
| All meeting of the governing board are required to be advertised via _____ at least _____ days prior to the meeting. | | | | | |
| A copy of the meeting agenda is required to be included in the publication. | | | | | |
| Amendment to the agenda requires a [majority/supermajority] vote. | | | | | |
| Minutes of all public meetings are required to be maintained. | | | | | |
| Minutes are required to be made available via _____. | | | | | |
| When executive session is required, the minutes are required to reflect the reason for the session and the vote approving its use. | | | | | |
| No votes are allowed to be cast in executive session. | | | | | |
| Those charged with governance must avoid gathering in groups that would constitute a quorum. | | | | | |
| Other controls that exist: | | | | | |
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| | Yes | No | N/A | Observed? | Suitably Designed? |
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| ASSET MANAGEMENT LAWS | | | | | |
| Management and those charged with governance are knowledgeable about the requirements of the asset management laws. | | | | | |
| Newly elected or hired officials are provided with an orientation of the asset management requirements. | | | | | |
| The entity has established policies regarding the items that constitute equipment subject to inventory. | | | | | |
| Movable equipment is required to be inventoried at acquisition and assigned a unique non-removable numbered asset tag. | | | | | |
| The asset inventory must include the date acquired, description, cost, serial number, ID tag number, and disposition date and reason, if applicable. | | | | | |
| At least annually, a physical inventory of movable equipment is required to be performed which compares the assets actually on hand to the recorded inventory. | | | | | |
| Discrepancies in the recorded inventory are required to be investigated and resolved. | | | | | |
| Other controls that exist: | | | | | |
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| | Yes | No | N/A | Observed? | Suitably Designed? |
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| DEBT LIMITS/RESTRICTIONS | | | | | |
| Management and those charged with governance are knowledgeable about the entity's legal debt limits. | | | | | |
| Newly elected officials are provided with an orientation of the legal debt limits and restrictions. | | | | | |
| No debt is allowed to be incurred (other than purchases in the normal course of business on terms not to exceed 90 days) without approval of the State Bond Commission. | | | | | |
| All indebtedness to be repaid by property or sales taxes requires approval of the voters. | | | | | |
| A calendar is maintained and monitored which provides a schedule of debt service requirements. | | | | | |
| The legal debt limit of ____% of the assessed value of all property in the jurisdiction is monitored for compliance. | | | | | |
| Exceptions to the legal debt limit are required to be documented. | | | | | |
| Other controls that exist: | | | | | |
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| | Yes | No | N/A | Observed? | Suitably Designed? |
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| CASH MANAGEMENT LAWS | | | | | |
| Management and those charged with governance are knowledgeable about the requirements of cash management laws. | | | | | |
| Newly elected or hired officials are provided with an orientation of the requirements of cash management. | | | | | |
| Deposits are required to be made intact daily. | | | | | |
| Deposit receipts are required to be matched with cash receipt records. | | | | | |
| Bank balances are monitored daily for amounts that exceed the applicable FDIC coverage. | | | | | |
| Excess bank balances are reported to the applicable financial institution and additional securities are pledged. | | | | | |
| Pledged securities are reviewed to determine they are acceptable collateral. | | | | | |
| Collateral pledges are evidenced by safekeeping receipts. | | | | | |
| Pledge agreements require release of a security by the entity upon maturity. | | | | | |
| Excess cash is required to be invested in instruments that are prescribed by state law. | | | | | |
| A fiscal agent agreement has been executed, if required. | | | | | |
| Other controls that exist: | | | | | |
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| | Yes | No | N/A | Observed? | Suitably Designed? |
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| TAXING LIMITS | | | | | |
| Management and those charged with governance are knowledgeable about the entity's taxing limits. | | | | | |
| Newly elected or hired officials are provided with an orientation of the taxing limits. | | | | | |
| A calendar is maintained and monitored which provide the time period over which taxes can be levied. | | | | | |
| Taxes collected for debt service are compared to the debt service requirements to avoid levying excessive amounts. | | | | | |
| Taxes levied for specific purposes are accounted for in separate funds to demonstrate that they have been used for the restricted purposes. | | | | | |
| Other controls that exist: | | | | | |
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| | Yes | No | N/A | Observed? | Suitably Designed? |
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| REVENUE AND EXPENDITURE RESTRICTIONS | | | | | |
| Management and those charged with governance are knowledgeable about revenue and expenditure restrictions. | | | | | |
| Newly elected and hired officials are provided with an orientation of the revenue and expenditure restrictions | | | | | |
| Revenues collected and expenditures made are limited to those that are allowed by state statute, tax propositions or ordinance. | | | | | |
| Salaries and wages cannot be advanced to employees. | | | | | |
| Bonuses and retroactive pay increases are not allowed. | | | | | |
| Payment in lieu of vacation is not allowed. | | | | | |
| Public funds are prohibited from being expended for private purposes or to private organizations. | | | | | |
| The “public purpose” exceptions are required to be documented. | | | | | |
| Public assets cannot be loaned or pledged for the benefit of individuals. | | | | | |
| Supervisory personnel review support for expenditures before authorizing for items that would be prohibited. | | | | | |
| Other controls that exist: | | | | | |
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For any “NO” answers above, describe any compensating controls, including activities by management, those charged with governance or others, and what procedures were applied to the compensating controls (such as inquiry, inspection, observation or reperformance):

Consider whether any “NO” answers which are not mitigated by compensating controls constitutes a significant deficiency or material weakness in internal control over compliance that should be reported to management and those charged with governance.
