INTERNAL CONTROL SELF-ASSESSMENT

Self-assessment is a valuable tool to help identify internal control deficiencies and assist in departmental management and audit preparation. The self-assessment consists of a series of “yes” or “no” questions. “Yes” indicates adequate controls in an area, while “no” indicates control deficiencies. Additional control related information is provided below each question to aid in resolving control deficiencies. Links to relevant policies are also included for each section.

The self-assessment is provided below or can be accessed through the Internal Audit website at [http://www.olemiss.edu/depts/internal_audit/](http://www.olemiss.edu/depts/internal_audit/). For questions not addressed in the self-assessment, please feel free to contact us at 662-915-7017 or auditing@olemiss.edu.

**FINANCIAL**

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<th>Yes</th>
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**A. RECONCILIATION OF ACCOUNT BALANCES**

*Related Policy:*

- *Responsibilities of Signatory Officers*
- *Fiscal Misconduct*

1. Departmental accounts are reconciled (verified for accuracy) on a monthly basis, discrepancies are reported and corrected, and reconciliations are documented. *Note: Reconciliations are a comparison of transaction documentation (i.e. cash reports, invoices, timesheets, etc.) to SAP.*

   Reconciliations should be performed to help ensure that transactions
are appropriate and accurate, and documented to substantiate that they were performed.

2. Reconciliations are reviewed in a timely manner, and the review is documented.

   If reconciliations are not performed by the signatory officer/department head, he/she should review, and the review should be documented (i.e. dates and initials).

B. CASH RECEIPTING

Related Policy:

Cash Receipting and Reporting

Fiscal Misconduct

1. Documentation exists to support that deposits are reconciled to SAP. Reconciliations should be performed to help ensure accuracy of deposits, and documented to substantiate performance.

2. Departmental cash receipting procedures are in accordance with the Cash Receipting and Reporting.

   University policy and sound accounting practices require daily and uniform reporting and depositing of cash receipts. The forms used are (1) The University of Mississippi official receipt and (2) the Cash Report.

   Departmental employees who are involved in the cash receipting process should review and become familiar with the university policy.

3. Duties related to receipting, custody, and reconciliation of funds are adequately separated.

   Procedures should be established to ensure that duties related to receipting, custody, and reconciliation of funds are adequately separated.

4. Funds are adequately safeguarded.

   Access to the funds should be restricted to a few individuals and kept in a secured location until deposited.

C. PETTY CASH

Related Policy:
**Petty Cash**

1. **Petty cash funds are adequately safeguarded.**

   Cash funds are the sole responsibility of the custodian. The custodian is personally responsible for all losses attributed to negligence on his/her part. The custodian is also responsible for safeguarding petty cash and must ensure that the petty cash box is locked in a filing cabinet or safe when not in use. Access to the petty cash fund is the sole responsibility of the custodian. In case of loss or theft, the custodian must notify Internal Audit (and UPD, if theft).

   Anytime petty cash funds are expended, receipts must be placed in the cash box or locked drawer as documentation. The receipts and cash-on-hand must always equal the general ledger total for control purposes. The petty cash fund must be reimbursed in a timely manner by submitting the receipts and a Request for Payment to Procurement Services.

   Personal business, such as cashing checks, should not be transacted with petty cash funds. Additionally, IOUs or “borrowing” petty cash funds for personal use is implicitly disallowed.

2. **Documentation exists to support that petty cash funds are counted periodically by someone other than the custodian or the person handling the funds on a day-to-day basis.**

   Independent counts must be performed periodically to help ensure that the established amount is maintained in the petty cash fund at all times. This will also help reduce the risk for overages and shortages. Documentation should be maintained to support the counts.

3. **Documentation exists to support that petty cash is reconciled periodically.**

   Petty cash funds should be reconciled on a regular basis. Departments are more susceptible to loss if petty cash is not periodically reconciled. The Petty Cash policy states that “Petty cash funds should be reconciled by the fund custodian on a regular basis. Total amount on-hand plus unreimbursed receipts should always equal the general ledger total for the fund. Reconciliation records should be available for review by auditors.”

4. **The petty cash fund was properly established through the Accounting Office.**

   All petty cash funds must be requested through the Accounting Office. To establish a petty cash fund, the departmental chair/director must submit a written request detailing the desired amount, purpose and proposed custodian of the fund. Accounting personnel will review the request and, if approved, create the fund (general ledger account number) and send a
confirmation letter to the fund custodian with courtesy copies to the custodian’s supervisor and Internal Audit.

D. TAX LIABILITY

Related Policy:

Collection and Remittance of Sales Tax

1. Proper procedures are in place to ensure that sales tax is reported accurately and timely. ____  ____  ____

Each department is responsible for the collection of sales tax when applicable. The Accounting Office will assist in the determination of whether sales are subject to tax. The Accounting Office will register departments with the State Tax Commission, file all sales tax returns and remit all taxes due for the University. Departments must submit a completed return to the Accounting Office no later than the 15th of the month in which the return is due. Included with the return should be a memo indicating the general ledger and profit center that should be charged for the sales tax.

E. PROCUREMENT

Related Policies:

Responsibilities of Signatory Officers

Documentation of Financial Transactions

Fiscal Misconduct

Procurement Services policies

1. Input, approval, and account reconciliation are adequately separated. ____  ____  ____

Key duties and responsibilities should be divided or segregated among staff members to reduce the risk of error or fraud. This should include responsibilities for input, approval, and account reconciliation. No one individual should control all key aspects of a transaction or event.

2. Purchasing documentation, including Purchasing Notification Reports, are reviewed by the departmental chair/director. ____  ____  ____

Expenditures (including copier charges) should be reviewed to help detect errors and inappropriate purchases. Errors should be reported immediately, and a follow-up performed by departmental personnel to ensure that adjustments have been made correctly.
3. Adequate documentation is submitted by the department to support expenditures (including those that relate to fuel card expenditures).

   Backup documents, including stated business purpose of the expense and list of attendees (i.e. if related to food purchases), must be on file within Procurement Services. If the business purpose is not included with the invoice, departmental personnel should attach appropriate documentation or note the purpose on the invoice.

4. All procurement cards are kept in a secure place such as a locked drawer or file cabinet.

   Each cardholder is responsible for the procurement card issued in his/her name and must take all necessary actions to ensure the card is maintained in a safe manner that follows all procurement card guidelines. Access to the procurement card should be carefully controlled and all charges should be reconciled promptly to ensure appropriateness. Any questionable activity, or lost/stolen cards, must be reported to the Departmental Card Administrator immediately.

5. Adequate documentation is maintained within the department to support expenditures not processed through Procurement Services.

   Backup documents, including stated business purpose of the expense and list of attendees (i.e. if related to food purchases), must be on file within the department for all transactions not processed through Procurement Services for seven (7) years. If the business purpose is not included with the invoice, departmental personnel should attach appropriate documentation or note the purpose on the invoice.

F. LONG DISTANCE CHARGES

   Related Policies:

   Long Distance Authorization Codes

1. Documentation exists to support that long distance charges are reviewed by the responsible employee.

   Employees possessing a long distance authorization code must review detailed charges monthly (on the Telecommunications website) to verify that they, and not someone else, placed the calls and to ensure that charges are business related. The review should be documented.

2. Documentation exists to support that long distance charges are reviewed by the departmental chair/director or designee.

   Departmental chairs/directors are ultimately responsible for all activity on accounts for which they have signatory authority. This
responsibility includes inappropriate (personal or fraudulent) long
distance telephone calls placed by departmental employees. To protect
him/herself and the University, the departmental chair/director should
perform monthly documented reviews. Proper documentation is vital
because it provides a record that departmental long distance charges
have been reviewed for appropriateness and compliance.

G. TRAVEL

Related Policies:

Procurement Travel Policies

American Express Corporate Card

1. Departmental travel adheres to university policies and procedures.  

   Official university travel must adhere to all applicable policies and laws.

   It is the policy of the University that all reasonable and necessary travel
   expenses incurred by university employees be reimbursed according to the
   laws of the State of Mississippi. University travel policies have been
   established to help ensure compliance with these laws. Employee travelers
   and departmental employees involved in processing travel documents
   should be familiar with the university policies and procedures.

H. PROPERTY MANAGEMENT

Related Policies:

Inventory Requirements

Departmental Inventory

Temporary Loan - Inventory

Internal Property Audits

Fiscal Misconduct

1. Documentation exists to support that the department performs/verifies
   inventory on an annual basis.

   An employee within the department should be assigned the responsibility
   of performing annual inventory verifications to help ensure accuracy.
   Missing items should be investigated, resolved and analyzed for possible
   control deficiencies. The annual inventory should be documented (i.e. an
   inventory print-out with initials and date).
2. Documentation exists to support the use of Loan Equipment Receipt forms for removal of property from campus.

   Equipment Loan Receipt forms should be consistently prepared prior to the removal of university equipment. Once completed, the original form should be sent to Property Control, and a copy maintained on file and renewed annually.

3. Old, unusable property, including non-equipment items (non-silver tag items), is salvaged in a timely manner.

   University property should be salvaged once it is determined to be old and unusable. A UM Property Disposal Report must be filed with the Property Control Department to request authorization to salvage/cannibalize any equipment. A copy of the form should also be attached to the unit when submitted to Property Control.

I. ACCOUNTS RECEIVABLE

   Related Guidance: Miss. Const. Art. 4, Section 100 (Release of obligation or liability owed to State or political subdivision)

   1. Monthly aging schedules or other adequate tracking methods are useddocumented to track past due accounts.

   Schedules should be maintained to help ensure that payments for goods / services sold on account are collected timely.

   2. Documentation exists to prove timely/routine attempts to collect past due accounts.

   Since a liability to the State can only be eliminated through payment, employees should make routine attempts to collect these debts and maintain documentation of their efforts (i.e. copies of collection letters, log of collection calls, etc.).

   3. Payroll deductions / Bursar charges are uploaded in a timely manner and are monitored adequately.

   Payments for goods / services sold on account should be collected timely.

   4. Duties related to receiving funds, posting customer accounts, and reconciling appear to be adequately separated.

   Procedures should be established to ensure that duties related to receiving funds, posting payments to customer accounts, and reconciliation are adequately separated.
HUMAN RESOURCES

A. PAYROLL PROCESS

Related Policies:

Departmental Time Record

Fiscal Misconduct

1. Timesheets are signed by the employee and supervisor.
   
   All timesheets (Form UM4/HR12 or an approved alternate form) must be signed and approved by the employee and departmental chair/director (or designee).

2. Hours and/or leave time are entered and approved by two different individuals.
   
   One employee should be responsible for entering payroll, and a separate employee for approving. For example, the secretary could enter all payrolls and the director or designee could approve. This segregation of duties will help ensure that errors are detected and corrected before payroll is processed, and will help minimize the opportunity for fraud.

3. Documentation exists to support that timesheets are reconciled to SAP or Monthly Budget Statements.
   
   Reconciliation of payroll timesheets to amounts entered in SAP must be performed. Some form of documentation must be included to verify that the reconciliation has occurred. Initialing and dating each timesheet as the reconciliations are performed would be sufficient.

4. Timesheets are maintained by the department for all employees.
   
   Per the Departmental Time Record policy, “Each department must retain all Forms UM4/HR12 or approved alternate forms for a period of seven (7) fiscal years. These forms serve as payroll records for exempt and non-exempt employees, and activity reports for non-exempt employees paid from federal projects/grants. The departmental copy is the official record of the University and must be readily available for audit from state or federal agencies.”

B. HOURS WORKED

Related Policies:

Employment of Students
Departmental Time Record

1. Hours worked are properly monitored and approved.  

   Time records must be retained for all non-exempt university employees, student employees, and graduate students. Departmental Time Records should be retained for a period of seven (7) years and the records should be readily available for audit. All departmental timesheets should be signed by the employee and departmental chair/director (or designee) to certify that the hours were worked and/or leave was taken as reported.

C. COMPENSATORY TIME BALANCES AND OVERTIME PAY

Related Policy:

Fair Labor Standards Act – Compensatory Leave – Overtime

Fiscal Misconduct

1. Compensatory time is adequately monitored and approved.  

   The Fair Labor Standards Act – Compensatory Leave – Overtime states that, “...An employee and his/her supervisor must arrive at an agreement or understanding that compensatory time will be granted in lieu of monetary compensation prior to the performance of overtime work. This agreement is not required to be in writing, but a record of the compensatory time must be kept....

   ....Compensatory Leave must be earned before it can be used and must be used prior to the use of accrued Personal Leave. The maximum amount of Compensatory Leave that an employee may accrue is 240 hours. Once an employee has reached the maximum accrual amount of Compensatory Leave, she/he must be compensated at the employee’s overtime rate of pay for any hours worked over forty (40) in a regular workweek....

   ....The Departmental Time Record (UM4/HR12) is used by budget officers to record the hours worked by non-exempt employees. This record must be maintained on all non-exempt employees and signed by the employee and department head or supervisor upon completion. The UM4 and HR12 are to be retained in the department office for seven years and be made readily available for audit.

2. Documentation exists to support proper approval and monitoring of overtime pay.  

   Overtime pay must be approved and monitored in accordance with university policy. The FLSA-Compensatory Leave – Overtime Policy states that:
“Any hours worked over forty (40) in a standard workweek will include holidays, as defined by the Official Holidays policy (HRO.PC.400.060) but does not include Major Medical and Personal Leave.”

“…. All non-exempt, or overtime eligible, employees must have prior notice and approval from his/her supervisor before any overtime work is performed…. Please note that under the FLSA, overtime work performed by a non-exempt employee, whether approved by the supervisor or not, must be compensated as overtime. If an employee works overtime without permission, the department is still obligated to compensate the employee at an overtime rate. The employee may be subject to disciplinary action up to and including termination for failing to adhere to policy.”

“The Departmental Time Record (UM4/HR12) is used by budget officers to record the hours worked by non-exempt employees. This record must be maintained on all non-exempt employees and signed by the employee and department head or supervisor upon completion…”

“The UM4 and HR12 are to be retained in the department office for seven years and be made readily available for audit…”

D. LEAVE

Related Policies:

Leave Guidelines
Personal Leave (Vacation) for Twelve-Month Employees

Major Medical (Sick) Leave - 12-Month Employees

Major Medical (Sick) Leave - 9-Month Employees

Fair Labor Standards Act – Compensatory Leave – Overtime

1. All exempt employees (including faculty) report leave time. Nine-month faculty must report sick leave on timesheets in accordance with university policies.

2. Documentation exists to support that leave usage is reviewed. Timesheets must be signed by the departmental chair/director (or designee) to document that leave usage is being reviewed.

3. “First Day Illness” is used for the first 8 hours of an illness when appropriate. In accordance with Personal Leave for Twelve-Month Employee Policy, “Personal (vacation) Leave or Compensatory Leave or Leave Without Pay shall be used for the first eight hours of an employee's illness or
illness of a member of the employee's immediate family, except for regularly scheduled visits to a doctor's office or a hospital for the continuing treatment of a chronic disease, as certified in advance by a medical doctor.”

E. EMPLOYEE TERMINATION PROCESS

Related Policies:

Separation from Employment

Terminal Interviews

Terminations

1. Departmental procedures are in place to help ensure that termination documents are processed, and appropriate university and departmental personnel are notified in a timely manner to stop payroll, cancel computer access and long distance codes, and retrieve keys, access cards, university equipment, etc.

   The Employee Exit Checklist must be completed anytime an employee transfers within or leaves the University. Once completed, a copy of the checklist must be forwarded to Human Resources.

2. Accounting Office has been contacted to change signatory officers or recipients of Monthly Budget Statements and Purchasing Notification Reports.

   The Accounting Office must be contacted to change signatory officers or recipients of Monthly Budget Statements and Purchasing Notification Reports anytime an employee transfers within or leaves the University.

F. ANNUAL PERFORMANCE EVALUATIONS

Related Policy:

Performance Appraisal for Staff Person

1. Annual performance evaluations are conducted for all employees and results are submitted through proper channels.

   In accordance with university policy, “Non-faculty personnel are formally evaluated in regard to their job performance during their probationary period (unless a contractual employee) and once annually by April 30. The Performance Evaluation Program should be discussed with the employee early in employment and the ratings reviewed with the employee at the end of each evaluation period. Forms used to support the
CONFIDENTIAL INFORMATION

A. SAFEGUARDING CONFIDENTIAL INFORMATION

Related Policies:

Information Confidentiality/Security

Right to Privacy

Privacy in the Electronic Environment

Access to Students’ Records

Anti-Virus Protection for UM Computers

IT Appropriate Use

1. Adequate procedures are in place to safeguard private information (financial, student, etc).

University employees (faculty, staff, and students) should undertake reasonable measures to protect the confidentiality and security of students, faculty, and/or staff information. University employees should verify student, faculty, and/or staff identities before releasing information or processing transactions for students, faculty, and/or staff. Employees should also maintain control and security of documents that contain student, faculty, and/or staff information. After processing, documents with non-public personal information should be properly filed or discarded.

Documentation (i.e. signed confidentiality agreements, memos) should be maintained within the department to substantiate employees have been informed and educated regarding their responsibilities for safeguarding confidential information.

Per the Information Confidentiality/Security policy, safeguards include, but are not limited to:

- Maintaining “paper data...in locked rooms and physically secured file cabinets.
- Restricting access “to those who have a legitimate business reason for getting such information and are educated about confidentiality and customer privacy.”
- Collecting “only the information needed to perform a specific task”. (A written policy addressing the specific purpose (which should be legitimate and use of this information should be established.)
• Shredding (“confetti shredded”) paper records when no longer needed.

INFORMATION SYSTEMS

A. BACKUP AND RECOVERY

Related Policies:

Information Confidentiality/Security

1. Routine backup procedures have been established for departmental computers and servers.

Departmental backup and recovery procedures must be established. Specific procedures, including how to backup and how often, should be documented and made available to all employees. Data recovery tests must be performed on a routine basis.

Per the Information Confidentiality/Security policy, full backups should be made weekly.

B. SOFTWARE LICENSING

Related Policies:

IT Appropriate Use

1. Basic controls exist to ensure that all software on university computers have proper licenses.

Procedures must be established to adequately control software licensing. Computer systems must be monitored periodically to ensure that illegal software is not present. Also, an inventory of all software on each computer should be maintained by the department.

2. Software use adheres to all licensing agreements.

A software compliance guideline form should be developed, signed by all employees (by new employees at the time of hire) and kept in each employee’s personnel file. Develop procedures that require end users to annually review software licensing guidelines and document their agreement to abide by the guidelines.

C. SECURITY CONTROLS

Related Policies:
Information Confidentiality/Security

Anti-Virus Protection for UM Computers

IT Appropriate Use

1. Adequate controls should be in place to secure sensitive data, as well as equipment, against theft or physical damage. (___ ___ ___)

   Physical access to computers systems (especially laptops) that contain confidential and critical data should be safeguarded against theft.

2. Access to university records appears to be adequately restricted through the use of unique user ids and passwords. (___ ___ ___)

   Access to computers, servers, and systems that contain confidential and/or critical data must be restricted through the use of unique user IDs and passwords and firewalls.

   University policy states that to comply with federal requirements to safeguard financial and other confidential information, the University of Mississippi must adhere to general standards and develop, put into effect, and maintain a comprehensive, written policy that contains administrative, technical, and physical safeguards for maintaining the confidentiality of non-public customer information. These safeguarding objectives include, but are not limited to the following:

   - Ensure the security and confidentiality of customer information in offices and data storage areas.
   - Identify and protect against anticipated threats to the security or integrity of confidential customer information.
   - Prevent the unauthorized access to, or use of, confidential customer information.

3. The latest anti-virus software and operating system patches are installed on all departmental computers and servers. (___ ___ ___)

   The latest anti-virus software and operating system patched should be installed on all departmental computers and servers.

4. Server containing critical and confidential information has a firewall. (___ ___ ___)

   All servers within the department that contain critical and/or confidential information should have a firewall.

5. Server containing confidential information or open ports is registered with the campus Security Coordinator. (___ ___ ___)
All servers, including computers, within the department that contain confidential information or open ports should be registered with the campus Security Coordinator.

PUBLIC RELATIONS

Related Policies:

Press Releases

Fiscal Misconduct

A. PUBLIC RELATIONS MANAGEMENT

1. Departmental personnel are aware of and have reviewed the university policy regarding dissemination of information to the public.  

   University policy states that in order to ensure accurate and consistent communication to all media, the office of University Communications is responsible for conducting and/or coordinating all contact with media. This includes, but is not limited to, the writing and distribution of press releases, formal and informal efforts to place stories, and the release of official statements or information to the general public through the mass media.

B. ASSOCIATION WITH EXTERNAL ORGANIZATIONS

1. Internal controls over financial management of external organizations (e.g., professional societies, student organizations, etc.) are adequate.  

   Employees should sign a confidentiality statement to verify their understanding of university policy regarding dissemination of private information belonging to external organizations and fiscal misconduct. Additionally, external organizations (e.g. professional societies, student organizations, etc.) should never use the UM tax ID.

HEALTH AND SAFETY

A. HEALTH AND SAFETY

Related Policies:

See UM Policy Directory for other Health and Safety policies.

Health and Safety Training Requirements

Procedures for Vacating a Laboratory
Safety

1. Reasonable policies and procedures for ensuring safety in classrooms, labs, and the workplace in order to reduce and/or prevent injuries and illnesses have been established, and to ensure compliance by all students and employees.

Departmental policies and procedures for ensuring safety in classrooms, labs, and the workplace must be established to reduce and/or prevent injury and illness from occurring. Agreement to comply with these policies and procedures should be documented and kept on file.

2. Does anyone in the department use any type of hazardous material – chemicals, biohazardous or radioactive materials or radiation generating devices? If yes:

   a. Everyone who uses these (hazardous) materials have been trained by the UM Health and Safety Department?

      Training by the UM Health and Safety Department is mandatory for anyone who uses or is exposed to hazardous chemicals, biological materials, radiological materials, and/or radiation generating devices. Training is documented on a standardized form in which signatures from the UM Health and Safety instructor/director and the trainee are required.

   b. Does anyone in the department ever ship hazardous materials to other schools or researchers? This could be anything from very small chemical samples, to diagnostic specimens or any materials that require shipping on dry ice. If yes, the Health and Safety Department is always used to ship these hazardous materials.

      UM Health and Safety Department must always be used to ship hazardous chemicals, biological materials, radiological materials, and/or radiation generating devices.

   c. If you have personnel who use hazardous materials, they will eventually make some sort of hazardous waste that requires disposal. Everyone who signs a Chemical Disposal Request Form completes an annual refresher course through the Health and Safety Department.

      Personnel who use hazardous materials and sign a Chemical Disposal Request Form must complete an annual refresher course through the Health and Safety Department.
GENERAL

A. FACILITIES MANAGEMENT

1. Procedures exist to support the maintenance of an accurate record of keys/access cards issued.

   A departmental record of keys/cards issued should be maintained for control purposes. Employees’ access to facilities should be limited and kept only to that which is necessary.

B. INTERNATIONAL EMPLOYEES

   Related Policies:

   Employment of Foreign Nationals

   International Student Employment

   1. Departmental procedures exist to help ensure compliance with related university policies and procedures.

      Departmental procedures must be in place to help ensure compliance with related university policies, procedures, and state and federal immigration laws.

      Evidence of legal permission to work in the U.S. must exist.

   2. Personnel are working closely with the Office of International Programs, Human Resources, and other appropriate offices.

      Communication between personnel and the Office of International Programs, Human Resources, and other appropriate offices must be evident.

C. POLICIES AND PROCEDURES

   1. The department maintains written departmental policies and procedures for each of the above areas.

      Written policies and procedures should be developed for all financial (including petty cash, cash receipting, accounts receivable, and tax procedures), payroll, and information systems processes to ensure that procedures are performed consistently and to assist backup and new personnel.

      Departmental personnel should continue to review university policies and procedures related to their areas periodically to help determine if changes or updates are needed to maintain compliance.

      Personnel should be assigned to perform duties in the event of another employee’s absence.
D. SCHOLARSHIP AWARD PROCESS

2. The department has established a formal process by which scholarship Applicants are reviewed and selected.

Written policies and procedures should be developed for the departmental scholarship award process to ensure that procedures are performed consistently and applicants treated fairly.