

STATEWIDE FISCAL SERVICES – EXPENDITURE AUDIT

Post Payment Audit Questionnaire

The auditor will use information from this survey to help in the planning of the audit. Please answer all questions. The information requested needs to be received in our office by **Month, Day, Year**. Follow-up on these items is a routine part of the audit. We greatly appreciate your cooperation in providing this information.

Name of Agency: _____ Agency No: _____

Address: _____

Agency Contacts:

Please provide the key contacts for the agency to be used throughout the audit:

_____	_____	_____
Chair of Board/Commission *	Official Title	Phone
_____	_____	_____
Head of Agency/University	Official Title	Phone
_____	_____	_____
Internal Audit Director	Official Title	Phone
_____	_____	_____
Chief Fiscal Officer/Director	Official Title	Phone
_____	_____	_____
Purchase/Procurement Contact	Official Title	Phone
_____	_____	_____
Travel Contact	Official Title	Phone
_____	_____	_____
Human Resources Contact	Official Title	Phone
_____	_____	_____
Payroll Contact	Official Title	Phone
_____	_____	_____
Chief Accountant	Official Title	Phone
_____	_____	_____
Property Manager	Official Title	Phone
_____	_____	_____
Agency Security Coordinator (USAS)	Official Title	Phone
_____	_____	_____
Primary Contact	Official Title	Phone
_____	_____	_____
Primary Contact E-mail Address		Fax Number

**Please attach a list of board names and their member names, if applicable.*

Part 1: Records

Records such as purchase orders, requisitions, contracts, invoices, receipts, personnel action forms, leave accounting records and payment information may be requested and must be made available for use during our examination. See: 34 TAC 5.51(e)(1)(B); TexTravel (Online at: fmx.cpa.state.tx.us/textravel).

(1) Where are these records located?

Purchase:

Travel:

Payroll:

(2) How are your records filed? *(For example, by vendor name, current document number, etc.)*

Purchase:

Travel:

Payroll:

(3) Are any of the records stored electronically? No Yes If yes, describe electronic storage for:

Purchase:

Travel:

Payroll:

(4) Who has access to these records?

Purchase:

Travel:

Payroll:

(5) Does your agency maintain records for any other agency? No Yes If yes, please list the agency or agencies.

Does another agency maintain records for your agency? No Yes If yes, please list the agency or agencies.

(6) How are voucher numbers assigned?

Part 2: General Accounting Information

(7) Please attach a copy of your agency's payment processing procedures (for purchase, travel and payroll) and organization chart. Comments:

(8) What type of rules/regulations training do you require of employees on purchase, travel and payroll?

How often is the training provided (both in general and to each employee)?

(9) Does your agency take any steps to ensure funds are not used to pay a person who is indebted or owes delinquent taxes or child support to the state or owes delinquent taxes under a tax that the Comptroller administers or collects? No Yes If yes, please outline the steps for the following fund types:

Funds held outside of the treasury (*i.e. local funds*):

Credit Card Purchases:

Petty Cash Purchases:

Travel Advances:

(10) Describe how your agency complies with the following riders in the General Appropriations Act, 81st Legislature, Regular Session:
Article IX, Section 6.06 – Last Quarter Expenditures:

Article IX, Section 14.03 – Limitation on Expenditures – Capital Budget: (if applicable)

(11) Does your agency have appropriated funds held outside the treasury? No Yes
If yes, what types of payments are made with these funds?

- (12) Does your agency have a Travel Advance Account and/or a Petty Cash Account? No Yes
If yes, please answer the following questions:

What is the total amount of each account?

How often are the accounts balanced/reconciled?

Are there any irrecoverable balances outstanding in the accounts? No Yes If yes, explain:

What are your agency procedures for issuing money from these accounts?

- (13) Does your agency submit payment transactions into USAS from an internal accounting system?
 No Yes If yes, please answer the following questions:

What types of payment transactions are submitted into USAS from this accounting system?

How often does the internal accounting system submit transactions into USAS?

Please explain how your agency's procedures prevent a transaction that is submitted to USAS from the internal accounting system from also being entered into USAS online.

Part 3: Purchases

- (14) Explain how your agency documents agreements with the following types of vendors:

Spot Purchases:

Services:

Goods:

- (15) Provide a list of all employees in your procurement department with their respective purchasing limits. Use the Excel spreadsheet that accompanied this questionnaire. Submit the Excel spreadsheet form to ctp@cpa.state.tx.us with “Agency Procurement List” as the e-mail subject/title.
- (16) What section/division of your agency performs the following:
- Purchasing/
requisition function:
 - Preparation of
purchase orders:
 - Receiving of
goods or services:
 - Payables
function:
- If these functions
are not independent
of each other,
provide explanation:
- (17) Where is an invoice received? (*e.g. the mailroom*) _____
When received, is it “date stamped?” No Yes
What division is it routed to for processing? Please give a detailed explanation.
- (18) How does your agency document receipt of goods or services?
- (19) Once an invoice is received, what is the average number of days that it takes your agency to process a voucher and submit it for payment? _____ Please give a detailed explanation below.
- (20) Describe your agency’s procedures for determining a payment’s due date.
- (21) Does your agency have procedures to document disputes with vendors concerning the goods or services provided or a disputed invoice? No Yes Please give a detailed explanation below.
- (22) Describe your agency’s process of determining if it has the authority to expend appropriated funds for a purchase. (Include when this occurs during the purchasing or payment process.)

(23) How are original invoices tracked?

(24) What are your procedures for handling duplicate invoices? (e.g. *destroy or stamp “duplicate”*)

What prevents duplicate payment of an invoice? Please give a detailed explanation below.

(25) What is an invoice compared against to ensure its validity?

(26) What are your agency’s procedures for amending documentation of the agreement with the vendor?

(27) Does your agency pay from INVOICES or STATEMENTS? _____
If payments are made from invoices, how do you prevent payments from statements (and vice-versa)?

(28) Does your agency use the interagency transaction voucher (ITV) process for making payments to other state agencies? No Yes (Note: Please schedule all ITV payments to state agencies at the earliest possible date since the state treasury does not lose any interest when an ITV payment is made early.)

(29) Does your agency use the ITV process to the extent that expenses are paid or reimbursed from appropriated funds held within the state treasury? No Yes
Does your agency make purchases using a credit card? No Yes
If yes, please list the credit cards that are used by your agency:

Which employees at your agency are issued a credit card for this purpose?
(Stating the positions of the employees is sufficient)

(30) Please attach your agency’s procedures for the issuance, security, checking “warrant hold” status prior to use, and the use of credit cards by your agency’s officers and employees for purchases under 34 TAC sec. 5.57 (2010).

What steps does your agency take to determine that a credit card purchase is payable or reimbursable?

What type of documentation is required to be maintained by the credit card holder?

What type of documentation is required to be maintained in your accounting records?

(31) Are there any departments currently short paying vendors? No Yes If yes, please explain:

(32) What is your procedure for voids and stop-payment of warrant cancellations?

(33) What is your procedure for processing credit memos received from vendors?

(34) What is your procedure for handling returns?

Part 4: Travel Expenses

(35) Does your agency pay meals for non-overnight travel to its board members, officers, and employees?
 No Yes If yes, how are these payments processed? (*e.g. travel or payroll document*)

(36) How does your agency prevent individuals from being reimbursed more than once for a travel expense?

(37) Does your agency provide training about state travel rules and laws to agency officers, employees and board members outside of the agency's accounting department? No Yes
If yes, please describe the training provided.

(38) What steps does your agency take to ensure compliance with Texas Government Code Annotated, Section 660.030 (b)(4) (2004) (multiple employee travel)?

(39) Does your agency have access to interactive television or videoconference facilities to use in lieu of paying employees' travel expenses to attend seminars conducted by your agency? Please attach your current travel policies and procedures.

(40) Provide the statutory authority or resolution that authorizes a board member's travel expenses and the amount the board member may be reimbursed for meal and lodging expenses. Please note if there are any special provisions for the board members involved with your agency.

Part 5: Payroll

(41) From what system is your payroll accounting transactions submitted into USAS? (*i.e.* USPS, SPRS)

(42) Provide the following information regarding your agency’s employees:

- Total number of employees: _____
- Number of monthly employees: _____
- Number of semimonthly,
biweekly, etc. employees: _____
- Number of hourly employees: _____
- Number of part-time employees: _____

(43) Indicate what section/division of your agency processes the following:

- Personnel action forms: _____
- Entitlements and special pays: _____
- Withholding Allowance
Certificates (W4s): _____
- Time reports: _____
- Leave forms: _____
- Release/run the payroll: _____
- Distribute the warrants: _____

(44) As a policy, how does your agency address the importance of employees listing all creditable prior state service?

As a policy, do you inform employees that it could have a monetary impact if any amount of state service is left off or the dates are invalid? No Yes

(45) What steps are taken to notify an employee if any prior state service is found to have a discrepancy or to be invalid during the verification process?

Has the specific monetary impact been communicated to the employee? No Yes

How are these communications documented and maintained?

(46) Does your agency process equity adjustments for classified employees? No Yes If yes, does your agency have written rules and procedures for processing equity adjustments? No Yes For detailed information about equity adjustment, see the General Appropriations Act, 81st Legislature, Regular Session: Article IX, Section 3.08 – Equity Adjustments.

(47) Has your agency implemented procedures to comply with HB 957 (automatic participation in the agency's 401K plan)? No Yes If yes, please explain in detail:

(48) What levels of management approval are required to process the following:

Personnel action forms:

Leave forms:

(49) What controls are in place at your agency to ensure only authorized changes are made to the payroll, such as running trial payrolls or comparisons to prior payrolls, etc? Please explain in detail:

(50) Has your agency incurred any penalties and/or interest as a result of late payment to the IRS?
 No Yes If yes, please list each occurrence by date and amount:

Part 6: Security and Accountability

(51) Does any individual at your agency have USAS security access to both enter and release payment transactions? No Yes If yes, please list the name of each individual:

(52) Does any individual at your agency have the ability to completely process a payment transaction within the agency's internal accounting system (other than USAS) without another individual's involvement? No Yes If yes, please list the name of each individual:

If no, please describe what prevents an individual who uses the system from having this ability.

(53) Does your agency inform its employees with release capabilities for payment transactions in USAS about the legal significance of releasing a batch? No Yes If yes, are the employees informed about the significance of the release? No Yes If yes, please describe how:

(54) Does your agency have employees with the security to enter personnel records and generate payroll payments based on these records? No Yes If yes, please list the names of these employees:

(55) Does any individual at your agency have the ability to completely process a payroll without another individual's involvement? No Yes If yes, please list the names of these employees:

If no, please describe what prevents an individual who processes a payroll from having this ability.

(56) Describe (or attach) your agency's procedures for removing security of terminated (or revoked) employees' who had the ability to expend appropriated funds held within the treasury.

(57) Describe (or attach) procedures for removing authorization of individuals (terminated or reassigned) on agency signature cards.

Part 7: Other Information

(58) Please furnish any additional information that will enable the auditor(s) to become familiar with your agency's operation prior to the audit start date.

(59) Please enclose all requested procedures along with your agency's internal audit plan for the fiscal year/s applicable to the time period selected. Comments:

You have completed the first part of the Post-Payment Audit Questionnaire. Please continue to the next section of this questionnaire (page 12) pertaining to PAYMENT CARDS.

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Post Payment Audit Questionnaire

Payment Card Attachment

- (1) Attach a copy of your agency's:
- Payment card procedures and/or manual
 - Any/all training manuals distributed to employees
 - Procedures for processing payment of payment card charges

Comments:

- (2) Have these procedures been approved by executive management? No Yes
If yes, please provide evidence of this approval.

- (3) If your agency has been utilizing the state payment card for more than one year, have the policies/procedures been reviewed and, if appropriate, updated in the last year? No Yes

Who is responsible for maintaining and updating the payment card policies and procedures?

- (4) Does your agency utilize Smart Data OnLine (SDOL) or Pathway Net? No Yes
If yes, how is data from either system monitored and verified at your agency and by whom?

- (5) How does your agency ensure compliance with the prohibitions set forth in 34 Texas Administrative Code, Section 5.57(g)?

- (6) Does your agency restrict certain MCC (Merchant Category Codes) groups from use? No Yes
If yes, which particular codes are restricted?

- (7) What are the purchase dollar amounts and transaction number limits for the payment cards utilized by your agency?

How are these limits enforced?

- (8) How does your agency prevent or monitor “card sharing,” or use by individuals other than the assigned cardholder?
- (9) How does your agency prevent, limit or monitor “stringing” or breaking down one large purchase into several smaller purchases to circumvent purchase authorization limits?
- (10) How is personal use of payment cards monitored and, if found, how does the user provide restitution?
- (11) Does your agency have procedures in place to identify unusual activity or unusually high purchase amounts?
 No Yes If yes, please explain in detail:
- (12) What are your agency’s procedures for retrieving the payment card of employees who terminate or retire?

List the employees who were terminated or retired during the audit period and the dates upon which their payment cards were retrieved. *(If more space is needed, please attach the list instead and indicate below that the list is attached.)*

(13) What is your agency’s process for reporting and deactivating stolen cards?

What are the responsibilities of the cardholder, agency, and the card-issuer (Citibank)?

Who is responsible for notifying Citibank and law enforcement authorities?

(14) What are your agency’s procedures for reporting disputed charges?

What is the time frame involved?

Who notifies the vendor and/or Citibank?

(15) What is your agency’s procedure for communicating tax-exempt status to vendors from which items are purchased using the payment card?

What steps are taken if a cardholder is accidentally charged for sales taxes on a purchase?

(16) What type of documentation is required by your agency for cardholder charges (receipts, etc.)?

Is a payment card purchase log used by each cardholder to document transactions? No Yes

(17) What are your agency’s procedures for reconciliation of cardholder charges?

(18) Please explain how your agency ensures separation of duties with regards to payment card usage (transaction initiation, authorization for payment and reconciliation) to reduce the likelihood of errors going undetected?

(19) Is the individual responsible for reconciliation of cardholder charges a payment cardholder? No Yes
If yes, does another person independently monitor this person's card usage?

(20) What actions are taken if a cardholder's supporting documentation is incomplete when submitted (e.g., missing receipts)?

What disciplinary actions can be taken if a user routinely disobeys usage guidelines or abuses the system?

(21) What actions are taken if a manager does not perform the review and approval function specified by your agency procedures?

(22) Has the agency's legal counsel reviewed the various disciplinary actions the organization can take to stop payment card abuse? No Yes Comments:

(23) Does your agency conduct a periodic review of cardholders to ensure appropriate assignment of cardholder privileges? No Yes If yes, is divisional management included in this process? No Yes
Comments:

(24) Please attach a current listing from your agency's internal records of all cardholders. Comments:

After completion of **all** the previous questions:

- **print** this form
- **initial** pages 1–15 in the lower right hand corner (where indicated)
- **sign/date** this page as indicated below
- **Mail** all pages to the address indicated below.

Signature of Chief Fiscal Officer

Date

Signature of Primary Contact

Date

Please mail the completed/signed form with any/all attachments to:

Texas Comptroller of Public Accounts
Statewide Fiscal Services, Expenditure Audit Section
111 E. 17th Street, 9th floor
LBJ State Office Building
Austin, Texas 78774-0100