

This is a “preview only” non-interactive version of the questionnaire.

STATEWIDE FISCAL OVERSIGHT – EXPENDITURE AUDIT

Post-Payment Audit Questionnaire

The auditor uses information from this questionnaire to help plan the audit. Answer all questions. The Comptroller's office **must** receive the information requested by the due date specified in the email that contained this questionnaire. Attach any supplementary documentation with responses that are outside the perimeters of this questionnaire. 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 your agency to be used throughout the audit:

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

**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 [34Texas Administrative Code, Section 5.51\(e\)\(1\)\(B\)](#).

(1) Where are your agency’s records located?

Are any of your agency’s records stored electronically? No Yes
If yes, describe electronic storage for:

Purchase:

Travel:

Payroll:

Part 2: General Accounting Information

(2) What purchase, travel and payroll rules/regulations training does your agency require of its employees?

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

(3) Does your agency ensure that funds are not used to pay a person who is indebted or owes:

- Delinquent taxes? No Yes
- Child support? No Yes
- Delinquent taxes under a tax that the Comptroller's office administers or collects? No Yes

If yes to any of the above, outline the steps for each of the following fund types: Funds held outside of the state’s Treasury (*for example, local funds*):

Petty Cash Purchases:

Travel Advances:

- (4) Describe how your agency complies with the following riders from the General Appropriations Act (GAA), 84th Legislature, Regular Session, 2015:

Last Quarter Expenditures:

(See eXpendit's *Appropriations* topic, [5. Last Quarter Expenditures](#). Source: [GAA, Article IX, Section 6.06, Last Quarter Expenditures](#) [page 883])

Limitation on Expenditures:

(See eXpendit's *Capital Budget Appropriations* page. Source: [GAA, Article IX, Section 14.03, Limit on Expenditures — Capital Budget](#) [page 919])

- (5) Does your agency have appropriated funds held outside the state's Treasury? No Yes
If yes, what types of payments (if any) are held?
- (6) Does your agency submit payment transactions to USAS from an internal or external accounting system? (For example Banner, HHSAS) to account for deposits, earnings, balances and payments? No Yes
If yes, name the system(s) your agency uses:

What types of payment transactions are submitted to USAS from the internal or external system(s)?

How often does the internal or external system(s) submit transactions to USAS?

Describe how your agency's procedures ensure that a transaction processed in the external system(s) is also entered in USAS —and— how a transaction submitted to USAS from the internal accounting system(s) is prevented from also being entered in USAS directly.

Part 3: Purchases/Procurement

Note: If answers to questions in Part 3 are already documented in procedures provided to Expenditure Audit, your agency may reference where applicable information can be located instead of providing a detailed explanation. The reference should include the name of the procedures, section and page numbers.

(7) Explain how your agency documents agreements with the following types of purchases:

Spot Purchases:

Services:

Goods:

Informal Bids:

Formal Bids:

Open Market Solicitations:

Exemptions from the State Procurement Division (SPD) Rules:

(8) What section/division of your agency performs the following functions:

Purchasing/ Requisition Function:

Preparation of Purchase Orders:

Receiving of Goods or Services:

Payables Function:

If these functions are not independent of each other, provide an explanation:

(9) How does your agency document receipt of goods or services?

(10) Does your agency pay from: INVOICES STATEMENTS

(11) Where are invoices received? (*For example: the mailroom*)

Are invoices “date stamped” upon receipt? No Yes

Which division processes invoices? Provide a detailed explanation:

How are original invoices tracked?

(12) 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? Provide a detailed explanation:

(13) Describe your agency’s procedures for determining a payment’s due date.

(14) Describe your agency’s procedures for handling duplicate invoices.
(*For example: destroyed or stamped “duplicate”*)

(15) How is the validity of an invoice verified?

(16) Describe your agency’s procedures for amending documentation of the agreement with the vendor.

(17) Does your agency have procedures to document disputes with vendors concerning the goods or services provided or a disputed invoice? No Yes If No, provide an explanation:

(18) Describe your agency's process of determining if it has the authority to expend appropriated funds for a purchase (*include details of when this occurs during the purchasing or payment process*).

Does your agency abide by SPD rules and guidelines, *Texas Procurement and Contract Management Guide* and eXpendit? No Yes

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

(20) Does your agency make purchases using a credit card? No Yes
If yes, list the credit card types that are used by your agency:

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 agency's accounting records?

(21) Currently, are any of your agency's departments partially paying vendors? No Yes
If yes, provide an explanation:

(22) Describe your agency' procedure for processing credit memos received from vendors.

(23) Did your agency adopt rules requiring your agency head to authorize any tuition reimbursement payment before an administrator or employee of your agency can be reimbursed, as per [Texas Government Code, Section 656.047\(b\)](#)? No Yes

If yes, provide copy of your agency rules as part of the Supporting Documentation.

Part 4: Travel Expenses

(24) 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? *(For example: travel or payroll document)*

(25) Describe how your agency prevents individuals from being reimbursed more than once for a travel expense.

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

(27) What steps does the agency take to save on travel-related costs and ensure compliance with [Texas Government Code, Section 660.044](#) (2013) (multiple employee travel)?

Part 5: Payroll

(Note: If answers to questions in Part 5 are already documented in procedures provided to Expenditure Audit, your agency may reference where applicable information can be located instead of providing a detailed explanation. The reference should include the name of the procedures, section, and page numbers.)

(28) What system is used to submit payroll transactions into USAS? *(For example: USPS, SPRS, CAPPS)*

(29) 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: _____

(30) Provide the name of the section/division within your agency that 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: _____

(31) As a policy, how does your agency address the importance for employees to list all creditable prior state service?

Has your agency communicated to employees the specific monetary impact of leaving any amount of state service off or providing invalid dates? No Yes

If yes, are these communications documented and maintained? No Yes

(32) Does your agency have written rules and procedures to process equity adjustments? No Yes
 (See *Texas Payroll/Personnel Resource's* page, under *Salary Adjustments for State Employees, Equity Adjustments (Reason Code 040)*.
 Source: [GAA, Article IX, Section 3.07 – Equity Adjustments](#) [page 878]) If no, provide an explanation:

(33) Describe, in detail, how your agency complies with [Texas Government Code, Section 609.5025](#)
 (*Automatic participation in your agency's 401K plan*).

(34) What levels of management approval are required to process:

Personnel action forms:

Leave forms:

(35) Provide a detailed description of the controls established to ensure only authorized changes are made:
 (*For example: running trial payrolls or comparisons to prior payrolls, etc.*)

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

Part 6: Security and Accountability

- (37) Does your agency use an accounting system outside of USAS and send transactions into USAS from that accounting system? No Yes

If yes, can any individual(s) process and approve a single transaction all the way through your agency's accounting system without the involvement of any other individual(s)? No Yes

If yes, list the name of each individual with that ability:

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

- (38) Does your agency inform its employees that have release capabilities for payment transactions in USAS about the legal significance of releasing a batch? No Yes

If yes, describe how the employees are informed:

- (39) Does your agency have employees with the security to enter personnel records and generate payroll payments based on these records? No Yes

If yes, list the names of these employees:

If no, describe the controls that are in place to prevent an individual/employee who processes payroll from having the ability to completely process a payroll without another individual/employee's involvement.

- (40) Attach or describe your agency's procedures for (1) removing security of terminated (or revoked) employees who had the ability to expend appropriated funds held within the state's Treasury and (2) removing their authorization on your agency's signature cards:

Part 7: Grants

(41) Did your agency implement procedures to comply with [Requirement to Publish Purpose of State Grants \(FPP\) S.010?](#)

No Yes

Are any of your agency's grant funds used in procurement efforts? No Yes

Are any of your agency's grant coordinators CTCM or CTPM certified? No Yes

Part 8: Direct Deposit

(Note: If answers to questions in Part 8 are already documented in procedures provided to Expenditure Audit, your agency may reference where applicable information can be located instead of providing a detailed explanation. The reference should include the name of the procedures, section, and page numbers.)

[Texas Government Code 403.016 \(c\) \(2\)](#) states that governmental entities are required to receive recurring state payments by direct deposit. State agencies should pay other governmental entities by direct deposit unless there are special circumstances that require a warrant.

To provide greater security, the Direct Deposit Authorization form now requires payees to provide both the current and new direct deposit information when requesting changes. In efforts to continue with these security measures, address the following questions:

(42) How does your agency process requests to initiate, change or cancel a direct deposit account?
(Check all that apply)

- In person
- Over the phone
- Via email or internet
- By paper

(43) What type of personal information is obtained from a payee when they request a change to be made in direct deposit accounts?

Describe your agency's procedures for identity verification prior to processing any direct deposit account change(s).

(44) Are there controls/requirements in place to prevent the processing of potentially unauthorized changes to a payee's direct deposit account? No Yes If yes, provide a detailed description:

(45) How are authorizations to change a payee's direct deposit account documented? electronically paper

(46) Does your agency conduct routine reviews of direct deposit information to ensure that the payments are made to the correct payee? No Yes

Describe your agency's process to verify bank account information:

How often is your agency's direct deposit information verified with the payee?

(47) Do any of your agency's payees have more than one direct deposit bank account? No Yes
If yes, have these additional accounts been verified with the payee? No Yes

(48) Describe the system of checks and balances that your agency has in place to verify that direct deposit payments actually go to the correct payee:

(49) Has your agency had any cases of unauthorized bank account changes and/or payments to incorrect payees?
 No Yes

If yes, what caused this to occur and what procedures were implemented to prevent it from happening again?

Part 9: Other Information

(50) Are you aware of any fraud, waste or abuse within your agency or of a current investigation related to fraud, waste or abuse? No Yes

If yes, provide all details (that you are able to divulge) or indicate that you will provide these details to the audit team during their field work:

(51) Provide any additional information that will enable the auditor(s) to become familiar with your agency's operation prior to the audit start date:

SUPPORTING DOCUMENTATION:

Enclose the following applicable procedures along with your agency responses as requested:

- Contract management handbook establishing contracting policies
- Your agency's internal audit plan for the fiscal year's applicable time period selected
- A copy of your agency's payment processing procedures (for purchase, travel and payroll) and organization chart
- A copy of your agency's Travel Advance Account and/or a Petty Cash Account procedures for issuing money from these accounts, if applicable
- A list of all employees in your agency's procurement department with their respective purchasing limits
- A list of employees at your agency that were issued a credit card for making purchases (stating the positions of the employees is sufficient)
- 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 Texas Administrative Code, Section 5.57](#)
- 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. Make an additional note if there are any special provisions for the board members involved with your agency
- Current travel policies and procedures
- Agency's internal procedures pertaining to direct deposit set ups, cancellations and changes to direct deposit information
- Agency's rules requiring your agency head to authorize tuition reimbursement payments.
- Agency's procedures to document disputes with vendors concerning the goods or services provided or disputed invoice.
- Agency's written rules and procedures to process equity adjustments.
- Agency's procedures for removing security of terminated (or revoked) employees who had the ability to expend appropriated funds held within the state's Treasury and for removing their authorization on your agency signature cards.

After completion of all the previous questions,
email this completed form (PDF) to your assigned Lead Auditor.

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:

Has your executive management approved these procedures? No Yes

If yes, provide evidence of this approval:

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

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

(3) Does your agency use **Citibank Citi Manager Card Management Portal** to manage the card program?
 No Yes If yes, who uses it and how?

(4) Does your agency use **Citibank Custom Reporting System**? No Yes

If yes, what reports are used and how does your agency use them to monitor the card program?

(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 merchant category codes (MCC) 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 used 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) Describe your agency’s procedures for retrieving the payment card from 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, attach the list instead and indicate below that the list is attached.)*

- (13) Describe your agency’s process for reporting and deactivating stolen cards.

Describe your responsibilities of the cardholder, your agency and the card-issuer (Citibank).

Who is responsible for notifying Citibank and law enforcement authorities?

(14) Describe your agency’s procedures for reporting disputed charges.

What is the time frame involved?

Who notifies the vendor and/or Citibank?

(15) Describe 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 *(for example: receipts, etc.)*?

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

(17) Describe your agency’s procedures for reconciliation of cardholder charges:

(18) Describe how your agency ensures separation of duties with regards to payment card usage *(for example: 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 also a cardholder? No Yes

If yes, does another person independently monitor this person’s card usage? No Yes

Comments:

(20) What actions are taken if a cardholder's supporting documentation is incomplete when submitted (for example missing receipts)?

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

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

(22) Has your agency's general 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) Attach a current listing from your agency's internal records of all cardholders.

Comments:

After completion of all the previous questions,
email this completed form (PDF) to your assigned Lead Auditor.