

Internal Control Checklist  
Segregation of Financial Duties  
Episcopal Diocese of Bethlehem

The following questions are aimed at assessing the parish's internal controls over financial transactions and reporting. Segregation of duties is a key internal control to help assure that errors of omission or commission do not go undetected. The diocese is aware that in some parishes there may be only one person performing the role of the bookkeeper and treasurer, among other roles. In these situations a key internal control that can help mitigate the lack of segregation of duties is a review performed by an individual that is not involved in financial transactions or financial reporting, such as bank account reviews and reconciliations, co-signing checks and other activities. Please contact the treasurer of the diocese, Libby House, at ehhouse@yahoo.com if you would like to discuss your specific situation and learn about controls that might help strengthen your internal controls.

**Please note that each question 1 - 12, as stated, describes the procedure or situation as it should be with the proper control in place. If that is not the case, an opportunity for an alternative explanation is provided so that the parish may explain why the recommended control is not in place. For questions 13 – 15, please provide the answers to the best of your ability.**

1. Are the bookkeeper and treasurer two separate positions held by unrelated persons? (For example, a bookkeeper deposits checks and pays standard bills while a treasurer approves the bank account reconciliation and authorizes request for non-ordinary bill payment. Parishes may have different titles for such positions, but it is critical that the duties are performed by separate individuals.)

Yes \_\_\_ No\_\_\_

If no, explain \_\_\_\_\_

2. Is the bookkeeping function separate from the custody of assets function?

Yes \_\_\_ No\_\_\_

If no, explain \_\_\_\_\_

3. Is the bookkeeper an authorized signer on any parish bank or investment accounts **or does the bookkeeper use a parish credit or debit card?**

Yes \_\_\_ No\_\_\_

If yes, explain \_\_\_\_\_

4. Does the bookkeeper count or otherwise handle cash (including debit card or petty cash fund) or make bank deposits?

Yes \_\_\_ No\_\_\_

If yes, explain \_\_\_\_\_

5. Does the bookkeeper prepare a signed and dated reconciliation report for each bank and investment account within 15 days of statement date?

Yes \_\_\_ No\_\_\_

If no, explain \_\_\_\_\_

6. Are reconciling items older than 60 days researched and resolved?

Yes \_\_\_ No\_\_\_

If no, explain \_\_\_\_\_

7. Are checks for non-standard payments prepared only after expenditure is documented and approved for payment by treasurer or other named authorized individual?

Yes \_\_\_ No\_\_\_

If no, explain \_\_\_\_\_

8. Does the treasurer have access to making entries into the general ledger?

Yes \_\_\_ No\_\_\_

If yes, explain \_\_\_\_\_

9. Does the treasurer control review and approve all online accounts and transactions as well as any credit card transactions?

Yes \_\_\_ No\_\_\_

If no, explain \_\_\_\_\_

10. Does the treasurer review, sign and date all bank reconciliation reports in a timely fashion?

Yes \_\_\_ No\_\_\_

If no, explain \_\_\_\_\_

11. Does the treasurer approve all journal entries?

Yes \_\_\_ No\_\_\_

If no, explain \_\_\_\_\_

12. Do counting teams consist of at least two unrelated persons that are rotated regularly?

Yes \_\_\_ No\_\_\_

If no, explain \_\_\_\_\_

13. Do you have an accounting procedures manual in place?

Yes \_\_\_ No\_\_\_

If no, explain \_\_\_\_\_

14. Do you have any internal audit controls in place?

Yes \_\_\_ No\_\_\_

If yes, explain \_\_\_\_\_

15. What kind of bookkeeping system do you have in place?

Manual \_\_\_ Computer \_\_\_

16. If computer, which software program do you use? \_\_\_\_\_

17. Where are financial records stored? \_\_\_\_\_

18. Do you keep a back- up?

Yes \_\_\_ No\_\_\_

If yes, explain \_\_\_\_\_

Where is it stored? \_\_\_\_\_

19. Who are the individuals who handle parish finances? (For example, bank deposits, bank reconciliations, contribution statements, check authorizations, check writing, financial statements, etc.)

Name	Position	Background
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

20. Do you have a list of all holders of keys to the property?

Yes \_\_\_ No\_\_\_

If no, explain \_\_\_\_\_

21. Do all key holders have current Safe Church and Criminal Background Checks on file?

Yes \_\_\_ No\_\_\_

If no, explain \_\_\_\_\_