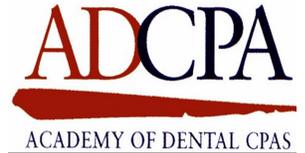




WOODY & ASSOCIATES, CPA's, PLLC GENERAL BUSINESS SERVICES



INTERNAL CONTROL CHECKLIST

Questions checked "no" indicate conditions may be ripe for employee dishonesty.

YES	NO
-----	----

CASH COLLECTIONS AND RECEIPTS:

	Is a controlled change fund or cash drawer being maintained with constant ending balance?
	Are receipts issued for cash payments?
	Are receipts pre-numbered?
	Are carbon copies of receipts kept?
	Are payments received indicated as check or cash on the receipts & daysheets?
	Is cash totalled daily to agree with daysheets?
	If a receipt is spoiled, is it voided and left in the book or attached to the daysheets?

DEPOSITS:

	Is a deposit prepared daily?
	Are deposits held overnight stored safely?
	Are total receipts being deposited?
	Are payments by check listed on the deposit slip?
	Are the carbon copy deposit slips attached to the daysheet or kept in the book?
	Is the bank statement opened only by the professional or his or her Accountant?

DAYSHEETS AND FINANCIAL CARDS:

	Is a pegboard system used?
	Is there an Individual daysheet for each day?
	Does the professional review and initial the daysheets?
	Are the daysheets compared with the appointment book daily?
	Are daysheets and financial cards prepared in ink?
	Is a tape of accounts receivable run at the end of each month?
	Are financial cards stored safely?
	Are all financial cards returned to the card files nightly?
	Is the paid-up account card file reviewed before statement time for misfiled cards?
	Are all account balances billed - even those pending insurance?

INTERNAL CONTROL CHECKLIST

Questions checked "no" indicate conditions may be ripe for employee dishonesty.

YES	NO
-----	----

PETTY CASH:

		Does the owner itemize petty cash expenditures?
		Are receipts kept for petty cash expenditures?
		Is a running balance of petty cash maintained and independently double-checked?
		Are cash monies kept separate from any change funds?
		Are employee purses and belongings kept in a separate location away from the reception area?

COMPUTERIZED APPLICATIONS:

		Does your computer require a password to get on the system?
		Do you have controls over file revisions and destructions?
		Do you have a key verification? -(duplicate processing of input to identify discrepancy of data entry)
		Do you have a verification of check digits ? (an account code that reflects the numerical combination of other digits in the code which can be tested for internal consistency by the computer)
		Do you do a completeness check? -(verify that all required data has been entered in the system)
		Do you have a range check? (verification of a value against maximum and minimum limits-also called credit limits)
		Do you do a validity check? (verification of new data against previously entered data maintained in the master file)
		Do you do a sign check? - (verification that the proper positive and negative values have been entered)
		Do you do a reasonableness check? (verification that summary totals for a transactions fall within specified guidelines)
		Do you do a sequence check? (verifies that transaction identification numbers are used in the proper sequence)
		Do you do a transaction type? (verifies that a transaction is entered into the proper records)
		Do you require approval for making computerized adjusting entries? (Important when dealing with accounts receivable)

EMPLOYEES:

		Are employees who handle cash bonded?
		Are employees required to rotate duties and responsibilities?
		Are refund checks approved by the owner?
		Are "write-offs" approved by the owner?
		Is control maintained over accounts in collection?

EMPLOYER/OWNER:

		Do you open bank statements, review all checks and compare signature on checks?
		Do you compare computer/check register against all checks written for month?
		Do you review monthly financials?