

Office of the State Controller

Self-Assessment of Internal Controls

Example of Inadequate Internal Control

Section: E-Accounts Receivable

Page: E-42 **Procedure: 31a**

Problem noted:

One employee performs the billing, collecting and posting of accounts receivable at the entity. The entity has a limited number of employees.

Corrective action taken:

The accounting employee will perform the billing and posting of accounts receivable. The secretary for the fiscal division will collect the accounts receivable. The supervisor will review the billing and posting. Due to the size of the entity, this action is the most cost effective action taken to obtain stronger internal controls.

Effective date:

Next billing cycle.

Example of Inadequate Internal Control

Section: E-Accounts Receivable

Page: E-45 **Procedure: 22a**

Problem noted:

One employee performs the billing, collecting and posting of accounts receivable at the entity.

Corrective action taken:

The duties among the accounting personnel will be redistributed to allow the billing, collecting and posting of receivables to be performed by different personnel.

Effective date:

Immediately.