A) SEGREGATION OF DUTIES

1) Are responsibilities for billing for services and fees adequately segregated from those for collection and accounting?
2) Are responsibilities for maintaining detail accounts receivable records adequately segregated from those for collection and general ledger posting?
3) Are responsibilities for collection, control, credit issuance, and deposit of funds activities adequately segregated from those for maintaining accounting records?
4) Are tax assessment rolls, etc., maintained by individuals not engaged in any accounting or collection function?
5) Are responsibilities for entries in the cash receipts records adequately segregated from those for general ledger entries?
6) If EDP is used, is the principle of segregation of duties maintained within processing activities?

B) PROCEDURAL CONTROLS

1) Do procedures for sales, income, and other taxes include the following?
a) Cross-referencing returns filed against a database of previous taxpayers?
b) Organization and integration of the records in such a fashion that probable taxpayers are identified as a result of reporting of other governmental activities, such as licensing?
2) Do procedures for license, fees, and permits include the following?
a) If annual payments are involved, procedures to ensure previous year's records are properly updated for new registrants and withdrawals?
b) Use of the updated records as the basis for billing persons subject to payment?
3) Do procedures for fines, forfeitures, and court fees include the following?
a) Maintaining and using court and other records of payments due as a basis for collections?
b) Control of issuance and disposition of fee notices, to ensure amounts due are assessed and collected?
4) Do procedures for enterprise and other service revenues include the following?
a) Controls to provide assurance customer database and, where appropriate, usage records are accurately maintained to ensure amounts due are billed?

C) BILLING/REMITTANCE VERIFICATION

1) Do procedures for sales, income, and other taxes include the following?
a) Reviewing returns for mathematical accuracy?
b) Correlating current year's taxpayer returns with prior year's returns and accounting for and reviewing differences?
c) Separately reviewing and approving claims for refund?
d) Auditing returns filed, to provide reasonable assurance taxable income is properly recorded?
2) Do procedures for licenses, fees, and permits include the following?
a) Comparing current year receipts to those for prior years and having senior officials review explanations of variation?
3) Do procedures for fines, forfeitures, and court fees include the following?
a) Correlating amounts collected with records of court proceedings?

b) Sequentially numbering and satisfactorily accounting for all fine/fee-assessment documents?
4) Do procedures for enterprise and other service revenues include the following?
a) Service readings performed in a timely fashion, if billing is based on usage?
b) Periodically rotating service-measurement readers?
c) Billing procedures providing for identification and investigation of unusual patterns of use?
5) Do general procedures include the following?
a) Prompt billing of service fees, taxes, etc?
(i) Providing for an independent verification of quantities, prices, and clerical accuracy of billing invoices?
b) Procedures designed for other revenue areas ensuring timely payment of amounts due?
c) Periodic review and approval by the legislative body of the rates of taxes, fines, fees, and services?
d) Periodic review and approval by the legislative body of programs of tax exemption or relief?
e) Authorization by the legislative body of utility rate schedules, as applicable?
f) Procedures providing for timely notification to the accounting department at the time billings or claims are prepared and rendered?
g) Numerical batch-processing controls over billings?
h) Controls over the billing of miscellaneous revenues?
i) Procedures to prevent interception or alteration by unauthorized persons of billings or statements after preparation, but before mailing?
j) Prompt investigation of disputes with billing amounts, reported by taxpayers or service recipients, by an individual independent of receivables record keeping?
k) Controls providing reasonable assurances restricted revenues are expended only for restricted purposes?
l) Protecting records of receivables from destruction and unauthorized access?
m) Monthly balancing of control accounts with detailed ledgers?
n) Providing and accounting for prenumbered credit memorandum forms?
6) Do collection procedures include the following?
a) Placing a restrictive endorsement on incoming checks as soon as received?
b) Controls providing reasonable assurances interest and penalties are properly charged on delinquent taxes, fees, or charges for service?
c) Controls surrounding the collection, timely deposit, and recording of collections in the accounting records at each collection location?
d) Timely notice of cash receipts from separate collection centers to general accounting department?
e) If payments are made in person, use of prenumbered receipts for payment; and accounting for and balancing such receipts to collections?
f) Segregation and timely remittance of amounts collected on behalf of other governments or other governmental units?
g) Monitoring taxes and fees collected by another governmental unit to assure timely receipt and reviewing amounts received for reasonableness?
h) Are receivable amounts aged monthly and reviewed by authorized personnel?

(i) Do you review delinquent accounts and take prompt action to collect or consider them for write-off on a timely basis?

(ii) Are write-offs or other reductions of receivables formally approved by senior officials not involved in the collection function?

(iii) Are procedures provided for executing all possible legal remedies to collect written-off or uncollectible accounts, including tax-sale of property, liens, etc?

7) Do accounts receivable record keeping procedures include the following?

a) Controls in system to ensure individual receivable records are posted only from authorized source documents?

b) Reconciling the aggregate collections on accounts receivable against postings to individual receivable accounts?

c) Where appropriate (for example, in proprietary funds), are statements of account balance mailed on a timely basis?

d) Periodic review of receivable accounts for credit balances?

8) Do general ledger procedures include the following?

a) Regular preparation of trial balances of individual receivable accounts?

b) Reconciliation of trial balances with general ledger control accounts and investigation of reconciling items by other than accounts receivable clerks?

c) Periodic review of aged accounts receivable balances by supervisory personnel?

d) Timely and direct notification to the accounting department of billings and collection activity?