

Internal Control Structure Questionnaire (ICSQ) for Fee For Service Contracts

Contractor Name: Fort Bend County **Procurement Number:** 530-11-002

Fiscal Year: 2013 **Contract Number:** 23620521

Please refer to instructions at the end of this questionnaire.

I. General Accounting Controls

1.	<p>a. Are all expenditures reconciled with your general ledger? If no, please explain. _____</p> <p>b. Please specify frequency of reconciliation: <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Other (please specify) _____</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2.	<p>How often are bank accounts reconciled to internal check registers? <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Other (please specify) _____</p>	
3.	<p>Are there controls to provide reasonable assurance that transactions with errors are rejected from further processing (e.g. prevented from updating the files/database)?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4.	<p>Are there controls to ensure claims made are valid, authorized and well documented?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

II. Contract Documentation

5.	<p>Does your organization maintain a contract file for each contract? <i>If yes, does each contract file contain:</i></p> <p>a. The executed contract with all attachments <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>b. A copy of each contract amendment (as applicable)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>c. Billing documents? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>d. Documentation of contract performance? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>e. Related correspondence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>f. A copy of each subcontract agreement (as applicable)? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p> <p>If no to any of the above, please explain. _____</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6.	<p>Are supporting documents (service authorizations, invoices, receipts, approvals, receiving reports, etc.) maintained with each disbursement and clearly referenced for easy location and retrieval? <i>If yes, please attach an explanation as ATTACHMENT #II-6. The attachment should</i></p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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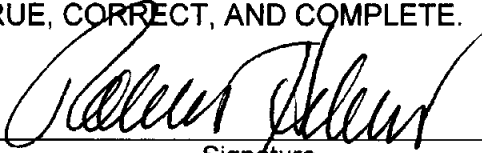
	<p><i>describe your process for maintaining supporting documentation, such as:</i></p> <ul style="list-style-type: none"> • <i>How supporting documents are kept and filed (e.g., filed by check number, month of payment);</i> • <i>How documents are marked when paid to prevent duplication of claims, and</i> • <i>How authorizations for service are registered internally.</i> 	
7.	Are expenditures for travel substantiated by travel vouchers, travel logs or other supporting documentation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
8.	Does your organization have a process to prevent unauthorized access to confidential information related to your contracts (e.g., sensitive client information or records)? <i>If yes, please attach a copy of your procedures as ATTACHMENT #I-8.</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>III. Subcontractors</p> <p>If your organization does not subcontract DFPS services, or does not intend to subcontract DFPS services, mark here <input checked="" type="checkbox"/> N/A and skip to Section IV.</p>		
9.	Does your organization have written policies and procedures for subcontracted services?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10.	Does your organization conduct criminal background checks on your subcontractors?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>IV. Staff/Volunteers</p>		
11.	Does your organization have procedures to monitor that contracted services (e.g., direct services to clients) are being delivered by employees or volunteers in accordance to the contract? <i>If yes, please attach a copy of your service monitoring procedures as ATTACHMENT #IV-11.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
12.	Does your organization conduct criminal background checks on your employees and volunteers? <i>If yes, please attach a copy of your employee/volunteer background check policy and procedures as ATTACHMENT #IV-12. The attachment should, at a minimum, discuss the following:</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> • <i>When criminal background checks conducted on employees and volunteers;</i> • <i>When criminal background checks are updated, and</i> • <i>Identify by title and/or position the employees and volunteers who are subject to criminal background checks.</i> <p>If no, please explain.</p> <hr style="width: 50%; margin-left: 0;"/>	

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CERTIFICATION

Signed by an individual with documented authority as designated by the business entity.

I HEREBY CERTIFY, TO THE BEST OF MY KNOWLEDGE, THAT THE INFORMATION REPORTED
HEREIN IS TRUE, CORRECT, AND COMPLETE.



Signature

10-23-2012

Date

Robert Hebert

Printed/Typed Name

County Judge

Title

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ICSQ Instructions

Every business entity should have internal controls. Internal controls consist of the policies and procedures that a business entity develops and implements to ensure that assets (such as cash and equipment) are safeguarded, that expenditure transactions (such as purchases) are authorized, and that financial data are accurately recorded. Another way of saying this is that a system of internal controls helps to ensure that assets that belong to the business entity are used only for authorized business purposes.

A system of internal controls is not designed primarily to detect errors but rather to reduce the opportunity for errors or dishonesty to occur. In an effective system of internal controls, no one person should carry out all phases of a business transaction from beginning to end. For example, if one person were permitted to order supplies, receive the supplies, write a check to pay for the supplies, and record the transaction in the accounting records, then there would be no protection against either fraud or errors.

A system of internal controls frequently may be improved by physical safeguards (acting as compensatory controls). Computers help to improve the efficiency and accuracy of record keeping functions. Cash registers, safes, and pre-numbered business forms are very helpful in safeguarding cash and establishing responsibility for it. Any system of internal controls must be supervised with care if it is to function effectively.

The Internal Control Structure Questionnaire (ICSQ) consists of a series of questions related to the processes and procedures for handling cash receipts, cash disbursements, physical inventory, file maintenance, etc. Responses to the questions included in the ICSQ allow for an assessment of the effectiveness of the procedures described as compared to best practices and/or specific state and federal guidelines.

Instructions for Submitting the ICSQ

An up-to-date ICSQ is required to be submitted with each new proposal to contract with the Department of Family and Protective Services (DFPS).

No two-sided copies will be accepted. No pamphlets or books will be accepted (except for required financial reports and/or audits). Responses must be typed or printed. All attachments must be clearly numbered.

Instructions for Completing the ICSQ

The ICSQ has been divided into several sections, as follows:

Section I: GENERAL ACCOUNTING CONTROLS

The general accounting section addresses file maintenance and the contractor's responsibility to meet contract terms and/or state/federal regulations.

Questions 1 - 4:

Accounting controls assist with the safeguarding of assets (cash and fixed assets) and the reliability of financial records. The objective sought in the control of cash receipts is to ensure that all cash that is receivable by the business entity is collected and recorded without loss. The system of controlling cash payments should be designed to ensure that no unauthorized payments are made. Control is accomplished by division of responsibility to achieve independent verification of transactions without duplication of effort.

All costs that are reported and/or billed to a funding source (e.g. DFPS) should be reconciled with the general ledger (the book or file that contains all or groups of the organization's accounts).

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Section II. CONTRACT DOCUMENTATION

Question 5:

An element of a good file maintenance process is having a systematic approach to filing the numerous contract documents that flow through a business entity. A systematic filing approach decreases the risk of lost documents, and provides a central place for documents that pertain to a specific contract.

Question 6:

It is a best practice to maintain supporting documents with each disbursement. Alternatively, supporting documents should be numbered, clearly referenced, and filed for easy retrieval.

Question 8:

An important protective measure to safeguard sensitive information is controlling physical access to the information or records related to your contracts. All contract information must be cared for with the appropriate level of physical and electronic security. Procedural safeguards ensure adequate controls against unauthorized access, fraudulent activity, disclosure, loss or damage, whether accidental or deliberate, as well as to ensure the availability, integrity, authenticity, and confidentiality of information. Procedural safeguards may include adequate separation of duties, limiting physical access (e.g., storing information in a safe or fireproof filing cabinet, locks on doors or filing cabinets, passwords) or computer-related controls dealing with access privilege.

Section III. SUBCONTRACTORS

This section must be completed if DFPS funds are or will be provided to subcontractors.

Question 9:

Subcontractor selection procedures should reflect a system in which the best subcontractor is fairly and objectively selected. Procedures should clearly identify the method of contractor selection utilized (e.g., competitive selection or bidding, negotiation with individual). (OMB Circular A-110, Sections 40-48.)

The subcontractor selection process should include established criteria to evaluate potential subcontractors, ranking method, and the consideration of past performance factors.

Question 10:

DFPS requires contractor employees who will have or currently have direct contact with clients or access to client records, prior to such contact or access, to disclose and release, or cause its subcontractors to disclose and release, any allegation alleging an act of abuse, neglect or exploitation of children, the elderly, or person with disabilities, as well as any criminal history or any current criminal indictment. It is the policy of DFPS to require background checks concerning criminal and DFPS abuse/neglect history on potential contractors, contractors, their employees, subcontractors and/or volunteers.

Section IV. STAFF/VOLUNTEERS

Question 11:

Contractor oversight should be sufficient to ensure the contractor's employees and volunteers consistently provide quality services by measuring performance against well-documented expectations. Procedures submitted in response to this question should describe the process used and include the individual who is responsible for ensuring that contractual expectations are met.

Question 12:

DFPS requires contractor employees who will have or currently have direct contact with clients or access to client records, prior to such contact or access, to disclose and release, or cause its subcontractors to disclose and release, any allegation alleging an act of abuse, neglect or exploitation of children, the elderly, or person with disabilities, as well as any criminal history or any current criminal indictment. It is the policy of DFPS to require background checks concerning

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criminal and DFPS abuse/neglect history on potential contractors, contractors, their employees, subcontractors and/or volunteers.