

Parish Internal Control Assessments

Disbursement Testing

Rev Sept 2014

1. Select 2 months for test work. Obtain all canceled checks and the related check register and bank statement for the test months. Select a sample of disbursements based on the number of occurrences from both the check register and the bank statement.
 - a. Note the authorized signatures on the checking account and the individuals actually signing the checks. Determine whether there are adequate check signing procedures when the pastor is away.
 - b. Examine checks for authorized signature, reasonableness, completeness, and signs of alteration.
 - c. Vouch each disbursement to its supporting invoice. For each invoice, note the existence of the invoice, the approval of the payment by persons with responsibility, use of check request form, and the proper cancellation of the invoice. Note any reimbursement for sales tax.
 - d. Investigate any abnormalities from step c. Be sure that round amount checks to individuals are not tax-evading payroll checks.
 - e. Document and report any violations of archdiocesan policy.
2. Does the issuance of checks appear to be in sequential order?
3. If applicable, review debit cards and ATM usage: authorized users, storage of cards & retention of related receipts. Select a sample of purchases made under these methods and trace purchase to supporting documentation, noting the disbursement is appropriate and was approved.

Note: Sample sizes should be based on the number of times the control occurs:

- Annual controls – test 1
- Quarterly controls – test 2
- Monthly controls – test 3
- Weekly controls – test 10
- Daily controls – test 20
- More than daily – test 30