

TREASURY - CHECKLIST		COMMENTS
1	How often are cash balances reported to Management?	
2	How many bank accounts?	
3	Any foreign currency accounts? Which currencies?	
4	Is cashflow forecasting done? How often is it updated?	
5	Is excess cash invested?	
6	Are there any lines of credit?	
7	What is the value of lines of credits?	
8	What is the security for the LC?	
9	Does the company carry any debt (Non-Shareholder)?	
10	What are the debt covenants?	
11	How often is covenant compliance reviewed? Any non-compliance issues currently?	
12	Does the company carry any debt (Shareholder)?	
13	Are there loan agreements for Shareholder debt	
14	Is interest charged on shareholder debt	
15	What are the signing authorities? Who can release funds for a payment?	
16	Does staff have on-line access to banking information? What access do they have? - who is authorized to release funds electronically?	
17	Are blank cheques left signed in the office	

Issues:

Positives

Financial Reporting

- 1 Are departments being used: Cost Centres, Profit Centres
- 2 What financial information is provided, analyzed

Budgeting

- 1 Do you budget
- 2 Do you use rolling forecasts
- 3 Do you do 5 year plans

Computers

- 1 Who has access to accounting system
- 2 Who controls access
- 3 Is access controlled by passwords
- 4 Who sets up customers?
- 5 Who sets up AP?

	PAYROLL	COMMENTS		
1	Is payroll done in house or outsourced?		NEBS	
2	What is standard work week			Greg, Eunice,
3	If outsourced, who provides data to Service Provider?			
4	If outsourced, is access restricted as to data input?			
5	Salary vs Hourly? Both?			
6	If hourly, is time clock used?			
7	If hourly, who approves hours for payroll ?			
8	If hourly, who inputs hours into payroll?			
9	Who reviews and approves payroll?			
10	How often are payroll taxes filed?			
11	Who is responsible for payroll tax filing?			
12	Who is responsible for ROE's?			
13	Who is responsible for T4's?			
14	Are payroll taxes being filed on time?			
15	When was last payroll tax audit? Any issues?			
16	Registered with WSIB?			
17	Any workplace accidents in last 24 months?			
18	Were they reported to WSIB?			
19	All required filings for WSIB done on time?			
20	How is payroll delivered? Cheque? DD?			
21	If cheque, who prepares cheques and signs?			
22	How are taxable benefits managed?			
23	Do owners pass personal expenses through the company?			
	- reported as taxable benefit?			
	ISSUES:			
	POSITIVES:			

INVENTORY		COMMENTS
1	Who manages inventory?	
2	Does inventory manager have appropriate credentials?	
3	Is inventory real-time or manual?	
4	Is access to inventory controlled/secured appropriately?	
5	Is customer inventory stored on-site	
6	Is customer inventory kept separate	
7	How often is the inventory counted and compared to GL?	
8	What is the type of inventory on the books? Spare parts? WIP?	
9	What is the costing method of inventory?	
10	What was the amount written off due to book to actual variances?	
11	Average inventory balance in GL?	
12	How often is inventory assessed for obsolescence	
13	Number of parts in inventory	
14	Average lead time for purchases?	
15	Ratio of inventory > 1 yr to total inventory	
16	Payroll cost of managing inventory?	
17	Number of inventory parts received (logged) per month	
18	Number of inventory parts issued per month	
19	Is cost of parts issued under warranty tracked?	
20	Is scrap metal being sold?	
ISSUES:		

MONTH-END			
1	How long to close books at month-end		
2	Are all balance sheet accounts reconciled on a regular basis?		
3	Are foreign balances revalued monthly?		
4	Is standard costing used?		
5	If standard cost is used, when was last time standard were reviewed/updated?		
6	If standard cost is used, what are variances like each month? Any follow-up?		
7	Is profitability by machine/order tracked?		
8	Is profitability by Service Line tracked/managed?		
9	Are monthly results reviewed with Senior Management Team		
ISSUES:			
POSITIVES:			

TAXES		COMMENTS
HST		
1	How often is HST filed? Monthly?	
2	Who prepares the returns?	
3	Are the returns filed electronically?	
4	Are the returns reviewed before filing?	
5	Does the company use DD for refunds?	
6	When was last HST audit? Any issues?	
7	Any penalties/Interest?	
Corporate Tax		COMMENTS
1	Who prepares and files the T2?	
2	All taxes filed on time?	
3	Are instalments required? Up to date?	
4	US Filings required?	
5	Any penalties/Interest?	
6	Any SR&ED being claimed	
ISSUES:		
POSITIVES:		

COMPUTER		COMMENTS
1	What accounting system in use? Version?	
2	Who has access? List of users	
3	What access do users have? Security	
4	Do users have unique Login ID's?	
5	Are passwords required to be changed?	
6	Where is database stored?	
7	How often is database backed-up? Offsite storage?	
8	How old are the computers in use in Accounting?	
9	Is chart of accounts adequately controlled? Who can add accounts?	
SECURITY		COMMENTS
1	Where are accounting files stored? Secure location?	
2	Any off-site storage?	
3	Who has access to accounting records (paper records)?	
4	If cheques are on-site, where are they stored? Secure?	
ISSUES:		
POSITIVES:		