

You said:

Develop an internal control checklist for the following ordinance.

Draft Ordinance – Capital Asset Policy

ChatGPT said:

Below is a **practical Internal Control Checklist** aligned directly to the requirements of the Brown County Capital Asset Ordinance and Indiana State Board of Accounts expectations. This can be used by the Auditor’s Office, department heads, and internal reviewers for annual compliance testing, audit preparation, and onboarding.

You may copy this into Excel, Word, or your internal control manual.

Brown County Capital Asset Internal Control Checklist

Department: _____

Reviewer: _____

Review Period: _____

Date Completed: _____

Legend:

✓ = Compliant ✗ = Not Compliant N/A = Not Applicable

Comments / Corrective Action Required

A. Policy Awareness & Training

#	Control Question	✓	✗	N/A	Comments
A1	Department head and asset steward have received a copy of the Capital Asset Policy.				
A2	Staff responsible for purchasing and inventory understand the \$5,000 capitalization threshold.				

#	Control Question	✓	✗	N/A	Comments
A3	Staff understand exceptions (custom office equipment, inexhaustible assets, donated assets).				
A4	Asset stewardship responsibilities are formally assigned in writing.				

B. Asset Classification & Threshold Compliance

#	Control Question	✓	✗	N/A	Comments
B1	Assets capitalized have a useful life of at least two years.				
B2	Assets capitalized exceed \$5,000 unless qualifying under an exception.				
B3	Items under \$5,000 are expensed appropriately.				
B4	Land assets include required data: description, location, acreage, acquisition date, and cost/appraisal.				
B5	Infrastructure assets include location and brief description.				
B6	Buildings reflect location and purchase or construction cost (or appraisal if donated).				
B7	Improvements other than buildings are recorded separately from land/buildings.				
B8	Machinery and equipment records reflect purchase cost and asset description.				
B9	Construction in progress is tracked and transferred to the proper asset category upon completion.				
B10	Vehicles are inventoried and tracked.				

#	Control Question	✓	✗	N/A	Comments
B11	Works of art and historical treasures are recorded at historical cost.				

C. Valuation & Cost Capture

#	Control Question	✓	✗	N/A	Comments
C1	Assets are recorded at actual historical cost when available.				
C2	When actual cost is unavailable, replacement cost or index valuation is documented.				
C3	Infrastructure capitalization includes allowable costs (legal, surveying, demolition, engineering, insurance, transportation, etc.).				
C4	Donated assets are recorded at fair market value at date of donation.				
C5	Capitalization threshold of \$5,000 is consistently applied.				
C6	Supporting documentation exists for all asset values.				

D. Asset Recording & Financial System Controls

#	Control Question	✓	✗	N/A	Comments
D1	All capital assets are recorded in the County's financial reporting system.				

#	Control Question	✓	✗	N/A	Comments
D2	Asset records include: description, acquisition year, method, funding source, cost, and salvage value.				
D3	Asset tags or identifiers are applied where practical.				
D4	Segregation of duties exists between purchasing, recording, and inventory verification.				
D5	Changes to asset records are reviewed or approved by authorized personnel.				

E. Physical Inventory

#	Control Question	✓	✗	N/A	Comments
E1	A physical inventory is performed annually by the department.				
E2	Inventory includes all required data fields.				
E3	Inventory results are reconciled to the financial system.				
E4	Discrepancies are documented and investigated.				
E5	Department head certifies inventory completion.				
E6	Asset steward participates in inventory verification.				

F. Asset Additions & Removals Reporting

#	Control Question	✓	✗	N/A	Comments
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#	Control Question	✓	✗	N/A	Comments
F1	New assets ≥ \$5,000 are reported using the Auditor's prescribed asset form.				
F2	Assets < \$5,000 removed from service are removed from department tracking records.				
F3	Additions and removals reports are submitted by the first Friday in January.				
F4	Documentation supports all reported additions and removals.				

G. Transfers, Disposals & Approvals

#	Control Question	✓	✗	N/A	Comments
G1	Written department head approval exists prior to transfer or disposal.				
G2	Capital Asset Notification Form is submitted to the Auditor for all transfers/disposals.				
G3	Transfers reflect updated location, department, and account information.				
G4	Disposed assets are removed timely from the asset system.				
G5	Auction or disposal documentation is retained.				

H. Compliance & Oversight

#	Control Question	✓	✗	N/A	Comments
H1	Controls align with Indiana Code 5-11-1-24 and 5-11-1-27.				
H2	Prior audit findings related to capital assets have been addressed.				
H3	Management review of asset reports occurs annually.				
H4	Documentation is retained per record retention schedules.				

I. Corrective Action Summary

Finding	Risk Level	Responsible Party	Target Date	Status

If you'd like, I can also provide:

- ☒ An **Excel-ready version** of this checklist
- ☒ A **short internal control policy narrative** to accompany this checklist
- ☒ A **department certification form** for annual inventory sign-off
- ☒ A **segregation-of-duties matrix** for asset controls

Just tell me what format you want.

You said:

yes to all

ChatGPT said:

Your templates are ready for download:

Checklist (Excel)

Capital_Asset_Checklist.xlsx

Internal Control Policy Narrative (Word)

Download the Policy Narrative

Annual Inventory Certification Form (Word)

Download the Certification Form

Segregation of Duties Matrix (Excel)

Segregation_of_Duties_Matrix.xlsx

How to Use These

- ✓ **Checklist** – Use annually or quarterly for compliance testing and audit prep.
- ✓ **Policy Narrative** – Attach to your internal control manual or auditor documentation.
- ✓ **Certification Form** – Have each department head sign after completing inventory.
- ✓ **Segregation Matrix** – Demonstrates separation of responsibilities for audit purposes.

If you'd like, I can also:

- ☒ Customize these with **Brown County branding and department names**
- ☒ Add **automatic scoring and compliance tracking** to the Excel files
- ☒ Expand the policy narrative into a **formal SOP manual section**
- ☒ Add **signature blocks for Commissioners and Auditor**

Just tell me what you want refined.