
TABLE OF CONTENTS

Preface		i
Title 1	Overview of Internal Control	1
	Introduction Integrated Framework	1
Title 2	Control Environment	4
	Chapter 1 Setting the Tone at the Top	4
Title 3	Risk Assessment	5
	Chapter 1 Identifying Risks	5
Title 4	Information and Communication	13
	Chapter 1 General	13
	Chapter 2 Books and Records	14
	Chapter 3 External Financial Reporting – General	16
	Chapter 4 Financial Reporting - Utilities	18
	Chapter 5 Records Management	19
Title 5	Control Activities	26
	Chapter 1 General	26
	Chapter 2 Books and Records	27
	Chapter 3 External Financial Reporting – General	28
	Chapter 4 Financial Reporting – Annual Review	29
	Chapter 5 Financial Reporting – Miscellaneous	30
	Chapter 6 Records Management	31
	Chapter 7 Cash	32
	Chapter 8 Petty Cash and Change Funds	35
	Chapter 9 Investments	37
	Chapter 10 Revenues/Receivables – General Procedures	39
	Chapter 11 Revenues/Receivables – Utility Operations	42
	Chapter 12 Expenses/Payables – Introduction	45
	Chapter 13 Expenses/Payables – Policy	46
	Chapter 14 Expenses/Payables – Goods and Services	48
	Chapter 15 Payroll and Related Liabilities	51
	Chapter 16 Inventories	54
	Chapter 17 Capital Assets and Expenditures	55
	Chapter 18 Debt and Debt Service Expenditures	57
	Chapter 19 Computer Controls	59

	Chapter 20	Compliance Controls	61
	Chapter 21	Nonprofit Contributions	62
Title 6	Monitoring		63
	Chapter 1	Functional Analysis	63
	Chapter 2	Compliance Analysis	65
	Chapter 3	Audit Committees	66
	Chapter 4	Requirements When Unlawful Conduct (Fraud) is Discovered	67
Appendices			
	Appendix A	General Report Outline	A-1
	Appendix B	Schedule of Expenditures of Federal Awards and State Financial Assistance	B-1
		Schedule of Unaccounted For Water	B-2
	Appendix C	Tennessee Code Annotated - Selected References	C-1
	Appendix D	Miscellaneous Matters – Travel and Budgets	D-1