

Financial

Financial Review & Internal Controls

GFOA Alberta - Policy Manual

Policy Type:

Financial

Number: 3.3.4

Policy Name:

Financial Review & Internal Controls

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Financial Review:

- Administration is responsible for the preparation and fair presentation of the financial statements.
- An annual review engagement will be conducted for the fiscal year;
- The review will be conducted by a recognized accounting firm and appointed at a Board meeting.
- The Board of Directors (Board) will have an opportunity to request any specific areas of concern for an independent accounting firm to review in more depth
- The results will be reviewed at a Board meeting prior to the acceptance of the financial statements
- The review will be completed within 3 months of the year end and will be presented at the Annual General Meeting by the Treasurer to be reviewed by the membership.

Internal Controls:

- Internal controls are the responsibility of Administration.
- The controls will include appropriate segregation of duties, expense and spending thresholds, cheque writing and spending authorization.
- Internal controls - Administration should establish control procedures, and ensure they are documented and followed. All aspects of cash receipting and accounts receivables should be subject to proper internal controls including:
 - Segregation of duties such as initiation and authorization of transactions, execution of transactions (receipting and disbursement), recording transactions, reconciliation, and maintaining custody,
 - Processing and timely deposit of receipts,
 - Timely reconciliation to applicable ledgers,
 - Physical security procedures. This is especially important for funds not deposited day of receipt, and
 - Use of integrated receipt and accounting systems.