



INTERNAL CONTROLS AND FINANCIAL AUDIT

1. Policies

The review of internal controls and the annual audit are two of the most important procedures the Board has for fulfilling its fiduciary responsibilities to donors.

Internal controls pertaining to the accounting records are established by the Executive Director and Board Treasurer in consultation with the Accountant.

The Board of Directors selects the public accounting firm which will perform the year end financial audit. The financial audit report is presented to the Board of Directors who has the authority to approve the audit.

2. Procedures

Whenever there is a change in administrative personnel or a change in the operating structure of the organization, the Treasurer and Executive Director will meet to determine that the internal control system continues to meet the needs of donors. If appropriate, the changes will be reflected in this accounting procedures manual.

The key features of the internal control system are that the Accountant, or any other employees working in the finance department, are not involved in handling checks and cash received, signing checks, transferring money or establishing cash accounts or investments and do not receive the unopened bank statement. The other aspect of this is that the Accountant reviews the transactions of the other employees and is responsible for noting any problems to the Executive Director or directly to the Board Treasurer.

The Board of Directors will approve, as part of the budget process, the public accounting firm to perform the annual audit.

The Board Treasurer will attend the audit exit session at the conclusion of the audit. The public accounting firm will present the audit to the Board each year. The Board will review and approve the financial audit.

The Accountant and Executive Director will be responsible for scheduling the audit, preparing the information needed by the auditors and answering questions during the audit.