

Discussion Item

Internal Control Policies & Procedures



OBJECTIVES

The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

RESPONSIBILITIES

Management is responsible for establishing and maintaining effective internal controls. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls ¹.

1. The Committee of Sponsoring Organizations ("COSO") of the Treadway Commission

RESPONSIBILITIES

The Board's Responsibilities for Internal Controls Primarily Involve Oversight, Authorization, and Ethical Leadership¹.

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WHAT IS INTERNAL CONTROL

Internal control is the combination of people, policies, and procedures that governing bodies and managers rely on to obtain reasonable assurance that their organization is meeting its objectives in regard to effectiveness, efficiency, the safeguarding of assets, the reliability of reporting and compliance.

CASH PROCESSING

Arapahoe County Treasurer

Lockbox

Development Fees / EnerGov

PURCHASING CARDS

Board Resolution

Purchasing Card Manual

State Controller's Guidelines

CHECKING ACCOUNT

Board Resolution

Authorized Signers

Dual Signatures

INVESTMENTS

Checking Account / PDPA

ColoTrust

PURCHASING GUIDELINES

\$30,000 Limit

Competitive Bidding

CAPITAL ASSETS POLICY

Capitalization Threshold

Followed State Fiscal Procedures
Manual

LOANS

Operating Loan

Building Loan

RESERVE POLICY

\$1 Million Minimum Fund Balance

Emergency Procedures

\$1 Million Cash Reserve

FINANCIAL REPORTING

Cash Disbursements

Monthly Financial Statements

Annual Audit

BUDGETING FOR OUTCOMES

Board Reviews Vision, Mission and Outcomes and Holds Management Accountable

The Board and Management set a Positive “Tone at the Top” by Attitude and Example that Demonstrates a Commitment to the Success of SEMSWA

QUESTIONS/COMMENTS?