


POLICY

	Policy:	INTERNAL CONTROLS - FINANCIAL REPORTING		
	Department:	Corporate Services	By-Law No.:	2016-28
	Division:	Financial Services	Approval Date:	February 29, 2016
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1. POLICY STATEMENT

- 1.1. The Corporation of the Town of Amherstburg is committed to establishing, implementing, and monitoring effective internal controls to ensure the following:
- 1.1.1. That the Town's assets are safeguarded;
 - 1.1.2. That day-to-day operations are efficient and effective;
 - 1.1.3. That accounting and financial information is reliable and complete; and
 - 1.1.4. That the Town operates within applicable laws and regulations.

2. PURPOSE

- 2.1. This policy shall ensure that the Corporation of the Town of Amherstburg will be well managed, with prudent stewardship of public funds, and the effective, efficient and economical use of Town resources.
- 2.2. This policy provides fundamental reference information on internal control processes and the reporting of internal control compliance.

- 2.3. This policy presents reliable reporting mechanisms, providing transparency and accountability for how the Town spends its public funds to achieve results, and deliver services to the residents of Amherstburg.

3. **SCOPE**

- 3.1. This policy applies to all activities that are under taken by Administration in regards to the use of assets, whether those assets are financial or non-financial in nature.
- 3.2. This policy shall be reviewed every two years from the date it becomes effective, and/or sooner at the discretion of the Director of Corporate Services/Treasurer.

4. **DEFINITIONS**

- 4.1. **Chief Administrative Officer (CAO)** is the Chief Administrative Officer for the Corporation of the Town of Amherstburg, which includes the roles and responsibilities as laid out in Section 229 of the *Municipal Act, 2001*.
- 4.2. **Council** refers to the current elected Council for the Corporation of the Town of Amherstburg. This includes, as an entirety, the Mayor, Deputy Mayor and Councillors.
- 4.3. **Director** is the person responsible for direction and operational control of a division as defined on the Town's organizational structure.
- 4.4. **Deputy Treasurer** is the Deputy Treasurer for the Corporation of the Town of Amherstburg, which includes the roles and responsibilities as laid out in Section 286 of the *Municipal Act, 2001*.
- 4.5. **Internal Controls** are a process by which the Town attempts to prevent or minimize the likelihood of accounting-related errors, irregularities, and illegal acts. Internal controls help safeguard funds, provide efficient and effective management of assets, and permit accurate financial accounting. Internal controls cannot eliminate all errors and irregularities, but they can alert Council to potential problems.
- 4.6. **Staff** is any person employed with the Town of Amherstburg, including any union or non-union, regular or temporary, full-time, part-time, seasonal or casual staff member, including but not limited to permanent staff, temporary staff, students, recreation staff, contract employees, and paid work placements.
- 4.7. **Town** is the Corporation of the Town of Amherstburg.
- 4.8. **Treasurer** is the Treasurer for the Corporation of the Town of Amherstburg, which includes the roles and responsibilities as laid out in Section 286 of the *Municipal Act, 2001*.

5. INTERPRETATIONS

- 5.1. Any reference in this Policy to any statute or any section of a statute shall, unless expressly stated, be deemed to be reference to the statute as amended, restated or re-enacted from time to time. Any references to a By-law or Town policy shall be deemed to be a reference to the most recent passed policy or By-law and any replacements thereto.

6. GENERAL CONDITIONS

- 6.1. Risks relating to the stewardship of Town resources will be adequately managed through effective financial reports to properly mitigate any potential human errors that may occur.
- 6.2. An effective risk-based system of reporting shall be implemented throughout the organization in accordance to this policy.
- 6.3. Reporting will be properly maintained, monitored, and reviewed, with timely corrective measures taken when issues, or potential issues, are identified.
- 6.4. Financial reports will be provided to Council and the public by the Department of Financial Services in the form of Quarterly and Yearly reports.
- 6.5. The following financial reports will be provided to Council Quarterly:
 - 6.5.1. Budget to Actuals – Operations Fund.
 - 6.5.2. Budget to Actuals – Water Fund.
 - 6.5.3. Budget to Actuals – Wastewater Fund.
 - 6.5.4. Capital Spending.
 - 6.5.5. Reserve and Restricted Cash Funds.
- 6.6. The following financial reports will be provided to Council Yearly:
 - 6.6.1. Audited Financial Statement.
 - 6.6.2. Financial Information Return.
 - 6.6.3. Budget for Operations.
 - 6.6.4. Budget for Water.
 - 6.6.5. Budget for Wastewater.

7. RESPONSIBILITIES AND AUTHORITIES

7.1. **Council** has the authority and responsibility to:

- 7.1.1. Receive reports from Financial Services provided in response to this policy.
- 7.1.2. Thoroughly review reports from Financial Services to gain complete comprehension of the Town's financial position.
- 7.1.3. Request clarification of reported items if forecasts are unclear or if further explanation is required to ensure comprehension of financial reports.
- 7.1.4. Request additional financial reports from the Director of Financial Services/Treasurer as required.

7.2. **Chief Administrative Officer (CAO)** has the authority and responsibility to:

- 7.2.1. Ensure that all actions undertaken by employees are consistent with this policy.
- 7.2.2. Support the Town's control and risk management activities.
- 7.2.3. Ensure that the Financial Services Department provides to Council all yearly and quarterly reports, as indicated through this policy.

7.3. **Director of Corporate Services/Treasurer** has the authority and responsibility to:

- 7.3.1. Provide to Council all yearly and quarterly reports, as indicated through this policy.
- 7.3.2. Ensure the establishment, maintenance, monitoring, and review of internal controls to mitigate risk in the following areas:
 - 7.3.2.1. The effectiveness and efficiency of programs, operations and resource management, including the safeguarding of Town assets;
 - 7.3.2.2. The reliability of financial reporting; and,
 - 7.3.2.3. Compliance with legislation, regulation and policies and delegated authorities.
- 7.3.3. Monitor compliance with this policy and its supporting directives and standards through periodic audits and other reviews to ensure their effective implementation.
- 7.3.4. Ensure that appropriate and timely action is taken to address significant issues relating to the system of internal controls and reporting.
- 7.3.5. Provide reports or information on the system of internal controls as requested by Town Council.

- 7.3.6. Act as the ultimate source of information in regards to the Town's financial reporting mechanisms and processes.
- 7.3.7. In the absent of the Treasurer, the Deputy Treasurer shall assume the roles and responsibilities of the Treasurer.

8. REFERENCES AND RELATED DOCUMENTS

- 8.1. Internal Controls Policy