

POLICY NUMBER: 1.5

NAME OF POLICY: Finance – Internal Controls and Fraud Prevention

LAST REVISED: 6/20/19

PREVIOUSLY REVISED: 05/16/13

PURPOSE: The purpose of the Internal Controls Policy is to ensure that EBDA assets, including financial, capital, and intangible, are safeguarded to the best extent possible. While the staff size of the Authority is relatively small, it is important to maintain segregation of duties and other security measures while providing transparency of financial information.

POLICY: It is the policy of the Authority to implement internal financial controls so that assets are protected and incidents of fraud are mitigated.

Adopted controls include:

- Multiple sign-offs on finance-related transactions
- Timely posting of transactions to the general ledger
- Periodic physical inventory (Renewal & Replacement Fund)
- Annual independent financial audit
- Periodic replacement of independent external auditors
- Implement auditor recommendations for internal controls, to the extent possible
- Limited staff access to making banking transactions
- Timely reconciliation of all bank accounts
- Limited staff access to financial system data entry, but full view-access to reports
- Secured check stock
- Individual and guarded system logins and passwords
- Purchasing card spending limits and monthly reconciliation
- Monthly Treasurers Reports to Commission

Internal controls will be implemented with consideration of the cost of implementation.