



POLICY – FN 22

TWO TIER INTERNAL CONTROLS

APPROVAL DATE:	2019-06-17	CROSS-REFERENCE:	
RESPONSIBILITY:	Administration		
APPROVER:	Council	APPENDICES:	
REVISION DATE (s):	2021-12-13	REVIEW DATE:	2025

POLICY STATEMENT

To establish the process for two-tiered internal controls relating to the financial transactions and process of the Village of Marwayne.

BACKGROUND

Internal controls are designed, implemented and operated in such a way that they are able to prevent, detect and correct misstatements in the financials of a municipality.

OBJECTIVE

To outline the process by which financial statements and processes are carried out by administration.



DEFINITIONS

CAO is the Chief Administrative Officer for the Village of Marwayne in the Province of Alberta.

Employee is a full-time permanent Employee of the Village of Marwayne in the Province of Alberta.

Employer is the Village of Marwayne in the Province of Alberta.

Village is the Village of Marwayne in the Province of Alberta.

GUIDING PRINCIPLES

This policy applies to all Village of Marwayne Employees and is subject to the terms set forth below:

- **Deposits**
 - The Village utilizes both a deposit book as well as Central Square Technologies software for general ledger transactions.
 - All deposits are prepared by the administrative assistant and then provided to the CAO for review and approval.

- **Accounts Payable**
 - The Village utilizes accounts payable vouchers for all entries prior to the printing of any cheques.
 - Accounts payable transactions are entered by the administrative assistant and reviewed by the CAO to ensure the amount, gst and general ledger code is being recorded appropriately.
 - Accounts payable vouchers must be accompanied by an invoice or reimbursement receipt.
 - The CAO must initial all accounts payable vouchers to accompany the listing generated from the Central Square Technologies software.
 - Once approved, the administrative assistant is permitted to print cheques for signing by the CAO and the Mayor, upon approval by Council.
 - Once signed, the administrative assistant places all of the cheques in envelopes for mailing.



- **Credit Card Payments**

- Credit card statement transactions are entered in a journal voucher by the administrative assistant to accurately record the amounts, general ledger codes and expense types.
- Once entered into the journal voucher template for credit card transactions, the administrative assistant provides a copy, along with all receipts, to the CAO for review and approval.
- Once approved, the payment of the credit card is made via online banking in ATB.
- The journal voucher is then subsequently presented to Council for their information.

- **Payroll Electronic Fund Transfers**

- Payroll is entered by the administrative assistant and then reviewed and approved by the CAO using our Central Square Technologies software.
- Individual employee payroll payments are issued via an electronic fund transfer in ATB.
- Electronic fund transfers are initiated by the administrative assistant and approved for issuance by the CAO on the 10th and 27th of each month.

- **Journal Entries**

- Journal entries are prepared and entered by the administrative assistant.
- Once entered, the CAO reviews and approves the journal entry to ensure the amounts and general ledger codes have been selected correctly.
- Once approved, journal entries are printed and filed.



ROLES & RESPONSIBILITIES

ROLE/TASK	TITLE (s) OF PERSON RESPONSIBLE
HANDLING INQUIRIES & COMMUNICATING POLICY	Chief Administrative Officer
MONITORING REVIEWS AND REVISIONS	Administrative Assistant