





COBB COUNTY COMMUNITY SERVICES BOARD
DOUGLAS COUNTY COMMUNITY SERVICES BOARD

Page 1 of 2

Policy # 2023	Internal Controls
Origination Date: May 1997	
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Approved:	
 Paul Ascari, Chief Financial Officer	 Bryan G. Stephens, Interim Executive Director

POLICY:

It is the policy of the Cobb County Community Services Board and the Douglas County Community Services Board that all policies and procedures be evaluated to maintain internal control and to adopt as a guideline for evaluation the following definition of internal control from the AICPA Statement of Auditing Standards:

Administrative control includes, but is not limited to, the plan of organization and the procedures and records that are concerned with the decision processes leading to management's authorization of transactions. Such authorization is a management function directly associated with the responsibility for achieving the objectives of the organization and is the starting point for establishing accounting control of transactions.

Accounting control comprises the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and, consequently, are designed to provide reasonable assurance that:

1. Transactions are executed in accordance with management's general or specific authorization.
2. Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with Generally Accepted Accounting Principles or many other criteria applicable to such statements and (2) to maintain accountability for assets.
3. Access to assets is permitted only in accordance with management's authorization.

PROCEDURE:

1. Separation of Functional Responsibilities – All policies and procedures include procedures to separate the following responsibilities:
 - a. Preparation of cash deposits from posting of cash receipts.
 - b. Approval of checks from processing/posting of cash disbursements.
 - c. Receiving goods from ordering goods.
 - d. Ordering goods from processing payments.
 - e. Processing paychecks from enrolling new employees or changing pay rates.
 - f. Within the constraints of the size of the organization, all duties shall be segregated that could lead to the appearance of a conflict of interest.

2. The agency keeps a complete set of accounting records. The minimum of such is:
 - a. General Ledger
 - b. Cash Disbursements Journal
 - c. Purchases Journal
 - d. Cash Receipts Journal
 - e. Detailed Accounts Payable Records
 - f. Paid Invoice File
 - g. Bank Reconciliations
 - h. Payroll Register
 - i. Contracts File
 - j. Accounting Work Papers
3. Financial Reports are prepared and sent to the Chief Financial Officer and the Executive Director monthly.
4. All transactions are properly documented as follows:
 - a. Consumer accounts are documented by consumers' account files showing intake date, billed days, any additional charges, and payments.
 - b. Cash disbursements are documented by a signed purchase order or an approved check request, an invoice and verification of receipt, or a contract if applicable.
5. An independent firm of Certified Public Accountants performs an annual consolidated financial audit for each Community Services Board.
6. Employee bonding will be a function of the agency as deemed appropriate. All changes in personnel handling monetary transactions are reported to the Executive Director.