

SATURNA ISLAND FIRE PROTECTION SOCIETY (SIFPS)

- Internal Financial Controls -

The following internal financial controls are in place within SIFPS:

1. Annual Budgets, both Operating and Capital, are established and approved by the Board of Directors.
2. A Financial Report is prepared monthly by the Controller and reviewed in detail with the Board at its monthly meeting. This report includes Income and Expenses, by Budget line item – this information is presented in both ‘Month’ and ‘Year-to-Date’ amounts and shown in an Actual versus Budget format. Bank Balances are also included.
3. Cheques up to \$500 require the signature of the Treasurer or Controller. All cheques over \$500 require 2 signatures of Board Members. Cheques are not pre-signed. The amounts of all cheques are costed to a budget line item.
4. Invoices over \$500 for operations require the approval of the Fire Chief or SIR Chief, as the case may be, as well as the approval of the Operations Committee and require final approval of the full Board.
5. Bank Statements are reconciled monthly by the Controller and reported to the full Board monthly.
6. Information is provided to an independent accounting firm, which in turn prepares Annual Financial Statements for review and acceptance by the SIFPS Board and Membership.

The following additional internal financial controls and accounting systems were established and implemented for the term of the Building Project:

- a) The Building Project Budget was approved by the full Board and its status (Actual vs Budget) is reviewed at the monthly Board Meetings.
- b) Costs under \$5,000 are subject to a Purchase Order approved by the Building Project Committee (BPC). Subsequent invoices are matched to Purchase Orders and approved by the BPC prior to payment.
- c) Costs \$5,000 and over are approved by the BPC, if within budget – if over budget, full Board approval is required. All expenditures \$5,000 and over are subject to a bidding process and the signing of a formal contract, including WorkSafe BC and insurance requirements.
- d) All cheques are signed by the Treasurer or Controller and one other Board Member, normally a member of the BPC.
- e) Standard holdbacks are retained until payment is approved by the BPC.
- f) All payments made by the Controller are reconciled with the detailed construction records and Building Project Budget maintained by the Treasurer, including commitments and detailed payment information. These records are in turn reconciled with the Bank balances.