Memo

To: David Twiggs, COO/General Manager
From: Lesley Nalley, Chief Financial Officer

Date: July 15, 2015

Re: Motion - Approve Revisions to Chapter 1, Article 6, Audit & Funds Control

Motion
I move to approve the revisions to Chapter 1, Article 6, Audit & Funds Control policy as presented.

Background
The following policy was reviewed by the CFO and Audit Committee, subsequent to the most recent audit. Other than minor verbiage changes, these specific policies are being formalized within the document:

- Identify the individuals authorized as bank signatories
- Acknowledge the 401k audit requirements
- Pursuant to their existing charter, acknowledge the Audit Committee’s responsibility to approve the CPA firm
- Formalize the timeline established for reviewing audit and tax services
- State the intention to use accrual accounting (GAAP)

Recommended updates, were discussed at the June 17, 2015 Board meeting.
The Board President, COO/GM, CFO, and AGM shall be named on all Association bank accounts. Additionally, the Fire Chief and one captain shall be named on the Act 833 account.

All cash and checks received are to be deposited promptly in the POA’s deposit bank accounts. POA facility managers are charged with the responsibility to assure cash is safeguarded and managed according to established procedures. The POA CFO/Treasurer is responsible for developing and issuing cash receipts reporting procedures for the POA.

The Association’s books and 401k plan of the Association shall be audited not less than annually by an independent firm of Certified Public Accountants, as approved by the Audit Committee. Audit and tax services shall be reviewed by the CFO/Treasurer and Audit Committee every five years, at a minimum, using the purchasing policies outlined in Article 19.

Any irregularity revealed through audit procedures shall be reported immediately to the COO/GM and Board of Directors for corrective action. The final audit report shall be presented to the membership.

The employment of such auditing firm shall be approved-ratified by the Board of Directors of the Association.

Internal auditing procedures shall be directed by the CFO/Treasurer of the Association to insure funds control and supplies and equipment inventories to ensure transactions are. Such procedures shall be maintained in accordance-aligned with generally accepted accounting standards-principles (GAAP), using the accrual basis of accounting, and as recommended by the independent auditing-firm employed by the Association.

Any irregularity revealed through audit procedures shall be reported immediately to the General Manager and Board of Directors for corrective action.

Adopted 10-76, B.O.D.
Rev. 5-17-89, 7-22-98, 9-12-01, 10-17-01