

INTERNAL CONTROL & FINANCIAL GOVERNANCE POLICIES

1. OVERALL INTERNAL CONTROL POLICY

Purpose

To ensure appropriate financial governance, safeguarding of assets, and reliable financial reporting in accordance with the Education Act, Independent Schools Regulation, and Alberta Education AFS Guidelines.

Policy

Due to limited staffing, the School acknowledges that full segregation of duties may not always be possible. As a result, the School will implement compensating controls, including increased oversight by management and the Board, to reduce the risk of error or fraud.

2. SEGREGATION OF DUTIES (LIMITED STAFF MODEL)

Policy

Where possible, duties will be separated. Where this is not possible, independent review and oversight controls are mandatory.

Procedures

Cash Receipts

- All funds received must be:
 - Recorded promptly
 - Supported by documentation (receipt, log, or listing)
- Deposits must be made intact and timely

Deposits

- If the same individual:
 - Receives funds
 - Records transactions
 - Prepares deposits

Then the following must occur:

- Monthly review of deposits by Treasurer or Board member
- Comparison of:
 - Deposit amounts
 - Accounting records

- Bank statements

Disbursements

- All payments must be:
 - Supported by invoices
 - Reviewed for accuracy and legitimacy
- **Minimum requirement:**
 - Two approvals for all payments (cheque or electronic)

If only one person processes payments:

- A second individual must:
 - Review payment listing monthly
 - Verify supporting documentation

3. BANK RECONCILIATION & OVERSIGHT

Policy

Bank reconciliations shall be prepared on a timely basis and independently reviewed to ensure accuracy and completeness of financial records, in accordance with governance responsibilities under the Education Act and Alberta Education financial reporting expectations.

Procedures

Preparation

- Bank reconciliations shall be prepared monthly, within 30 days of month-end
- The Treasurer is responsible for:
 - Preparing the reconciliation
 - Ensuring all bank accounts are included
 - Identifying outstanding items

Review (Independent Oversight)

- The reconciliation shall be reviewed by a Board member who is not involved in the preparation

The reviewer shall:

- Verify that:

- Bank balance agrees to reconciliation
- Reconciliation agrees to general ledger
- Review:
 - Outstanding cheques and deposits
 - Any items outstanding greater than 90 days
 - Unusual or large transactions

Documentation

- The Board reviewer must:
 - Sign and date the reconciliation OR
 - Provide documented evidence of review (e.g., email approval)
- All reconciliations and supporting documents must be retained

Additional Oversight

A monthly financial package (including bank reconciliation and transaction listing) should be presented to the Board

- The Board should document review in:
 - Meeting minutes or
 - Signed reports

4. ELECTRONIC FUNDS TRANSFER (E-TRANSFER) POLICY

Policy

E-transfers must not bypass financial controls and must follow approval processes equivalent to cheque payments.

Procedures

Approval

- All e-transfers must have:
 - One individual to initiate
 - One independent individual to approve

If bank does not allow dual authorization:

- Secondary approval must be documented:

- Email approval retained
- Or printed approval attached

Documentation

Each transaction must include:

- Invoice/supporting document
- Purpose of payment
- Approval evidence

Monitoring (CRITICAL)

- Monthly e-transfer report must be:
 - Reviewed by Treasurer or Board
- Review includes:
 - Payee
 - Amount
 - Supporting documentation

5. EXPENSE REIMBURSEMENT POLICY

Policy

All reimbursements must be properly supported, approved, and subject to independent review.

Procedures

- Original receipts required
- Claims submitted within **30 days**
- Must include:
 - Date
 - Business purpose
 - Amount

Approval Requirements

- Staff → approved by supervisor
- Executive Director → approved by Board member
- Board members → approved by another Board member

No self-approval permitted

Monitoring

- Periodic review of reimbursements by Treasurer or Board

6. INVESTMENT & CASH MANAGEMENT POLICY

Policy

Funds shall be managed conservatively with a focus on capital preservation and liquidity.

Procedures

Permitted Investments

- Bank deposits
- GICs
- Low-risk instruments

Approval

- All investments must be approved by:
 - Board OR
 - Treasurer

Monitoring

- Investment summary presented:
 - At least annually (preferably quarterly)
- Must include:
 - Balance
 - Interest rate
 - Maturity date

Approved by the Board November 13, 2025



Cindy Bower-Benusic – Board Chair