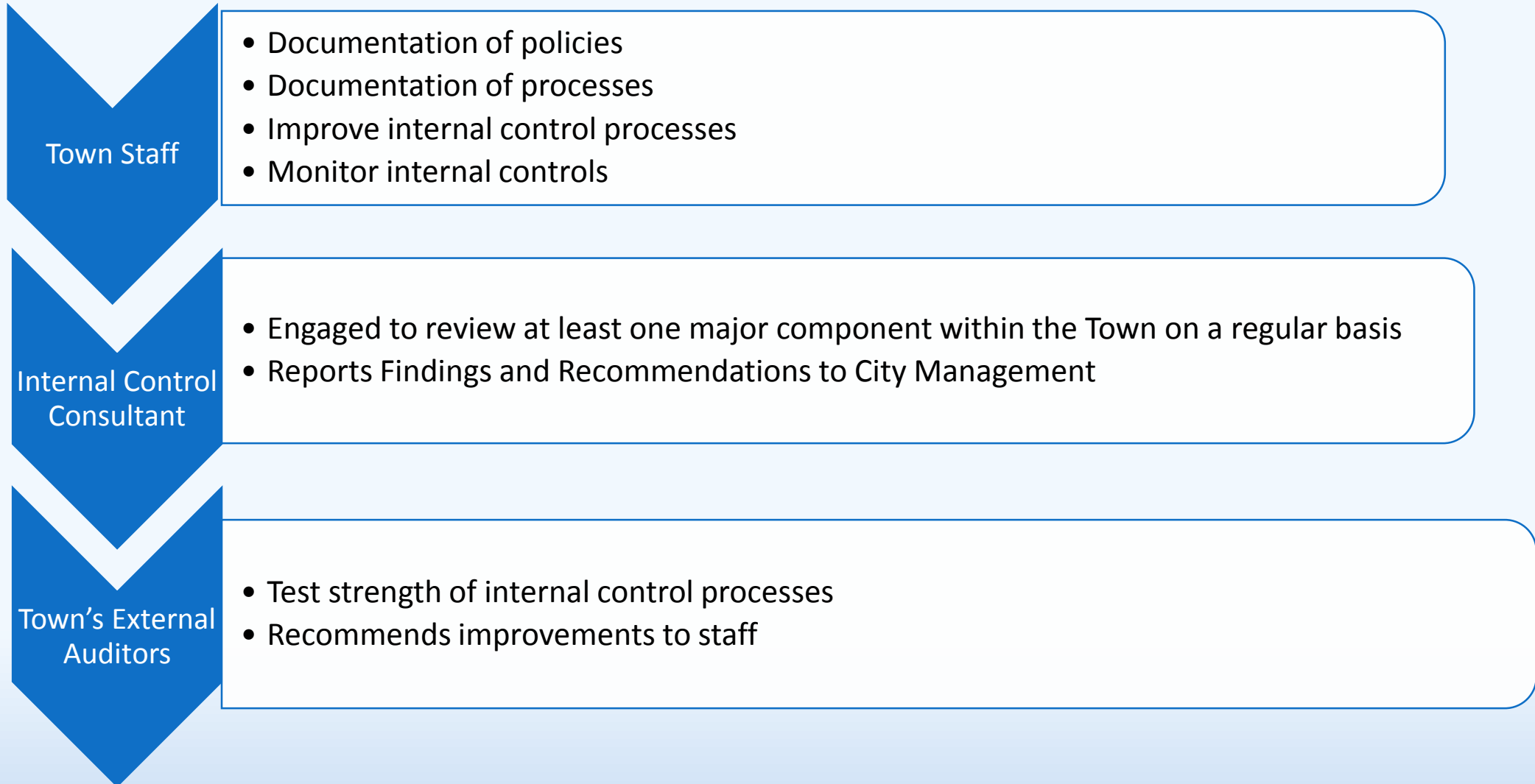




# Internal Control Program

# Internal Control Program



# Internal Control Program

## Review of Major Component Unit

- Airport
- Conference Centre
- Addison Athletic Club
- Treehouse

## Bi-annual Review of Departments

### EXAMPLE


- Police
- Fire
- Municipal Courts

## Systematic Review of Selected Processes

### EXAMPLE

- Building Inspections and Permitting
- Utility Billing

# Internal Control Program



January – March 2018  
Staff develops internal  
control schedule

April – September 2018  
Staff engages consultant  
to review controls

October – December 2018  
Town auditors test and  
review controls

# Internal Control Program

## Control Environment

1. The oversight body and management should demonstrate a commitment to integrity and ethical values.
2. The oversight body should oversee the entity's internal control system.
3. Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
4. Management should demonstrate a commitment to recruit, develop, and retain competent individuals.
5. Management should evaluate performance and hold individuals accountable for their internal control responsibilities.

## Risk Assessment

6. Management should define objectives clearly to enable the identification of risks and define risk tolerances.
7. Management should identify, analyze, and respond to risks related to achieving the defined objectives.
8. Management should consider the potential for fraud when identifying, analyzing, and responding to risks.
9. Management should identify, analyze, and respond to significant changes that could impact the internal control system.

## Control Activities

10. Management should design control activities to achieve objectives and respond to risks.
11. Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
12. Management should implement control activities through policies.

## Information and Communication

13. Management should use quality information to achieve the entity's objectives.
14. Management should internally communicate the necessary quality information to achieve the entity's objectives.
15. Management should externally communicate the necessary quality information to achieve the entity's objectives.

## Monitoring

16. Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
17. Management should remediate identified internal control deficiencies on a timely basis.

# Internal Control Program Schedule

January to March  
2018

Policy  
documentation

Processes  
documentation

April to June  
2018

Review Town staff's  
computer system  
access

Develop scope for  
airport financial  
system & internal  
control review

Finance to document  
departmental policies  
and processes for  
cash collections

July to  
September  
2018

Town audit firm  
(BKD) to conduct  
review of Airport  
financial system and  
internal control

Finance to begin  
monitoring  
compliance with  
departmental cash  
collection policies

October to  
December  
2018

Town auditors  
review controls  
and issue report

Town staff makes  
improvements to  
controls

Town staff  
schedules next  
control areas to  
review