

INTERNAL CONTROLS

**INDIGENOUS
LEADERSHIP
DEVELOPMENT
INSTITUTE INC.**

6 main principles

1. Authorization
2. Documentation
3. Reconciliation
4. Security
5. Separation of Duties
6. Oversight

Examples of good internal controls:

- Blank cheques are locked in a safe location
- Dual signature on cheques
- Approval initials on supporting documentation prior to signing cheques
- Payroll is reviewed and approved by Executive Director (prepared by another staff member)
- BOD review of internal financial statements
- Monthly bank and credit card reconciliations
- Access to building materials is secured (security guard, etc.), release requires prior authorization
- Employee time sheets are approved by department managers
- Mandatory annual vacation for all employees
- Employee cross training
- Staff in charge of recording revenue doesn't open mail and receive customer deposits and doesn't make bank deposits
- Security cameras at a grocery store
- Supporting documents for accounting transactions are retained for 6 years

Building capacity