

POLICY

	Policy:	Internal Controls – Financial Reporting		
	Department:	Corporate Services		
	Division:	Financial Services	By-Law No.:	N/A
	Administered By:	Treasurer	Approval Date:	Dec. 15, 2025
	Replaces:	Internal Controls – Financial Controls - February 29, 2016		
	Attachment(s):	N/A		

1. POLICY STATEMENT

The Corporation of the Town of Amherstburg is committed to establishing, implementing, and monitoring effective internal controls to ensure the following:

- 1.1. That the Town's assets are safeguarded;
- 1.2. That day-to-day operations are efficient and effective;
- 1.3. That accounting and financial information is reliable and complete; and
- 1.4. That the Town operates within applicable laws and regulations.

2. PURPOSE

- 2.1. This policy shall ensure that the Corporation of the Town of Amherstburg will be well managed, with prudent stewardship of public funds, and the effective, efficient and economical use of Town resources.
- 2.2. This policy provides fundamental reference information on internal control processes and the reporting of internal control compliance.
- 2.3. This policy presents reliable reporting mechanisms, providing transparency and accountability for how the Town spends its public funds to achieve results, and deliver services to the residents of Amherstburg.

3. SCOPE

- 3.1. This policy applies to all activities that are undertaken by Administration in regards to the use of assets, whether those assets are financial or non-financial in nature.
- 3.2. This policy shall be reviewed every five (5) years from the date it becomes effective, and/or sooner at the discretion of the CAO or designate.

4. DEFINITIONS

- 4.1. **Internal Controls** are a process by which the Town attempts to prevent or minimize the likelihood of accounting-related errors, irregularities, and illegal acts. Internal controls help safeguard funds, provide efficient and effective management of assets, and permit accurate financial accounting. Internal controls cannot eliminate all errors and irregularities, but they can alert Council to potential problems.

Common definitions, acronyms, and terms are available in the Glossary located on the Town's Policies webpage.

5. INTERPRETATIONS

Any reference in this policy to any statute or any section of a statute shall, unless expressly stated, be deemed to be reference to the statute as amended, restated or re-enacted from time to time. Any references to a by-law or Town policy shall be deemed to be a reference to the most recent passed policy or by-law and any replacements thereto.

6. GENERAL CONDITIONS

- 6.1. Risks relating to the stewardship of Town resources will be adequately managed through effective financial reports to properly mitigate any potential human errors that may occur.
- 6.2. An effective risk-based system of reporting shall be implemented throughout the organization in accordance to this policy.
- 6.3. Reporting will be properly maintained, monitored, and reviewed, with timely corrective measures taken when issues, or potential issues, are identified.
- 6.4. Financial reports will be provided to Council and the public by the Department of Financial Services in the form of second quarter, third quarter and annual reports.
- 6.5. The following financial reports will be provided to Council in the second, third quarter reporting:
 - 6.5.1. Budget to Actuals – Operations Fund
 - 6.5.2. Budget to Actuals – Water Fund
 - 6.5.3. Budget to Actuals – Wastewater Fund
 - 6.5.4. Capital Spending
 - 6.5.5. Reserve and Reserve Funds
- 6.6. The following financial reports will be provided to Council annually:
 - 6.6.1. Budget to Actuals – Operations Fund.
 - 6.6.2. Budget to Actuals – Water Fund
 - 6.6.3. Budget to Actuals – Wastewater Fund
 - 6.6.4. Capital Spending
 - 6.6.5. Reserve and Reserve Funds.

7. RESPONSIBILITIES

- 7.1. **Council** has the authority and responsibility to:
 - 7.1.1. Adopt the Internal Controls – Financial Reporting.
 - 7.1.2. Receive reports from Financial Services provided in response to this policy.
 - 7.1.3. Thoroughly review reports from Financial Services to gain complete comprehension of the Town's financial position.
 - 7.1.4. Request clarification of reported items if forecasts are unclear or if further explanation is required to ensure comprehension of financial reports.
 - 7.1.5. Request additional financial reports from the Director of Financial Services/Treasurer as required.

- 7.2. The **CAO** has the authority and responsibility to:
 - 7.2.1. Ensure that all actions undertaken by employees are consistent with this policy.
 - 7.2.2. Support the Town's control and risk management activities.
 - 7.2.3. Ensure that the Financial Services Department provides to Council all yearly and quarterly reports, as indicated through this policy.
- 7.3. The **Director of Corporate Services/Treasurer** has the authority and responsibility to:
 - 7.3.1. Provide to Council all yearly and quarterly reports, as indicated through this policy.
 - 7.3.2. Ensure the establishment, maintenance, monitoring, and review of internal controls to mitigate risk in the following areas:
 - 7.3.2.1. The effectiveness and efficiency of programs, operations and resource management, including the safeguarding of Town assets;
 - 7.3.2.2. The reliability of financial reporting; and,
 - 7.3.2.3. Compliance with legislation, regulation and policies and delegated authorities.
 - 7.3.3. Monitor compliance with this policy and its supporting directives and standards through periodic audits and other reviews to ensure their effective implementation.
 - 7.3.4. Ensure that appropriate and timely action is taken to address significant issues relating to the system of internal controls and reporting.
 - 7.3.5. Provide reports or information on the system of internal controls as requested by Town Council.
 - 7.3.6. Act as the ultimate source of information in regards to the Town's financial reporting mechanisms and processes.
 - 7.3.7. In the absence of the Treasurer, the Deputy Treasurer shall assume the roles and responsibilities of the Treasurer.
- 7.4. **Staff** have the responsibility to:
 - 7.4.1. Ensure their understanding and compliance with the policy and seek clarification where needed to follow the policy expectations

8. LEGISLATIVE REFERENCES