

TOWN OF STRATFORD - COUNCIL POLICY			
Name:	Segregation of Duties	Policy Number:	2007-FA-01
Committee:	Finance and Administration	Approval Date:	April 11, 2007

1. Introduction

The Finance and Administration Committee has been assigned responsibility to monitor the financial operations of the Town and Town entities and act as the Town's audit committee. To increase accountability, the Committee has developed this Segregation of Duties policy to separate, as much as possible, the various functions and approvals in the accounting process. This policy applies to the Town of Stratford and all other Town entities including the Stratford Utility Corporation and the Stratford Community Seniors Complex.

2. Payment Function

Payments are accepted in the various departments as follows:

- the Recreation Department is responsible for collecting payments for registration in recreation programs and events including payments on behalf of other organizations such as minor soccer and minor ball.
- the Finance and Administration Department is responsible for collecting payments for dog tags and licenses, police fines, Utility bill payments, GST revenue and miscellaneous revenue.
- the Planning Department is responsible for collecting payments for building permits and planning approvals.

With the exception of the Recreation Department, all payments are processed through the Town's computerised accounting software. The intent is to have the Recreation Department use the Town's current computerised accounting system to process payments or to possibly use a computerised recreation registration system to schedule activities and process payments.

For all payments (except Recreation until it is computerised), the following process shall be followed:

- Payment shall be entered into the computerised accounting software and coded to a sub-ledger and a receipt issued by a front line staff person and that person shall not have rights to modify payments or receipts;
- Payments shall be balanced daily by comparing the computerised receipt list with the cash, cheques, tele-payments, on line payments and the printout from the debit/credit card machine by front line staff or a member of the Finance and Administration Department who does not have rights to modify payments or receipts;

- The daily balance shall be reviewed and compared to the computerised receipt list by a member of the Finance and Administration Department (who did not do the daily balance) who shall then prepare a bank deposit and both the person who prepared the daily balance and the reviewer shall sign off on the bank deposit.
- The balance shall be entered into the banking module of the General Ledger by a member of the Finance and Administration Department.

For Recreation payments (until it is computerised), the following process shall be followed:

- Payment shall be taken manually and one part of a triplicate manual receipt is issued to the customer.
- The cash, cheques and debit/credit card printout shall be recorded on a form, balanced and coded by the front line staff or a member of the Finance and Administration Department who does not have rights to modify payments or receipts
- The daily balance shall be reviewed and compared to a copy of the manual receipts by a member of the Finance and Administration Department (who did not do the daily balance) who shall then prepare a bank deposit and both the person who prepared the daily balance and the reviewer shall sign off on the bank deposit.
- The member of the Finance and Administration Department shall post the transactions into the Town's computerised accounting system to the general ledger accounts as coded.

3. Utility Property Transfers and Payouts

When properties that are serviced by the Utility are purchased or sold, the Utility provides a statement of the account as of the closing date and the property is transferred to the purchasers name as of that date. The transaction must be prepared by a member of the Finance and Administration Department and then signed off by the Manager of Finance and Administration. The member of the Finance and Administration Department shall then enter the transaction, credits and payments into the Town's computerised accounting system. If the member of the Finance and Administration Department who processes the transaction is the Manager, then the transaction must first be signed off by the Manager of Public Works and Utility or the Chief Administrative Officer. When a payout is received from the lawyer and the property transfer is completed, the paperwork must also be signed off as indicated above and the cheque transferred to the front line staff to be handled as noted in the payment section above.

4. Miscellaneous Deposits

Miscellaneous deposits that are not customer payments such as GST refunds, Tax revenue, Police Fine etc. shall be recorded in the deposit book and coded to the appropriate account by a member of the Finance and Administration Department and signed off by the Manager

of Finance and Administration. If the deposit is done by the Manager of Finance and Administration, it shall be signed off by the Chief Administrative Officer.

5. Payroll

Employee time cards shall be signed by the Department Manager and submitted to the Finance and Administration Department. The payroll shall be prepared in the Town's computerised accounting system by, where possible, two members of the Finance and Administration Department and shall be signed off by the Chief Administrative Officer. Once approved, the transaction shall be processed through the contract bank as an automatic payroll deposit to employees accounts. A check requisition is prepared to cover the cost of the biweekly payroll and this check is deposited into our contract bank payroll account on the payroll date.

6. Payables and Cheques

All invoices must be coded and signed off by the Department Manager and must also be signed off by the Manager of Finance. Cheque requisitions must be signed off by the Department Manager and the Manager of Finance. Cheques are signed by the designated signing authorities.

7. Credit Cards

Credit card transactions must be recorded and coded by the card holder and approved by the Department Manager.

8. Bank Deposits and Reconciliations

Bank deposits shall be done at least weekly and whenever the amount of cash exceeds \$1000. If a bank deposits is left in the building, it shall be placed in a secure box within a locked filing cabinet and locked office. Bank Reconciliations shall be completed monthly by the Manager of Finance and Administration.

9. Adjustments to Utility Accounts

Adjustments to customer accounts shall be approved and signed off by the Manager of Finance and Administration, the Manager of Public Works and Utility or the Chief Administrative Officer. A list of all adjustments shall be printed off on a monthly basis and signed off again by the Manager of Finance and Administration and the Manager of Public Works and Utility. This monthly print out shall be kept as part of the year end audit file.

10. Utility Customer Initiation

New Utility customer information may be entered into the Town's computerised accounting system by a representative of the Public Works and Utility Department and then the information must be checked by a member of the Finance and Administration Department before the rate codes are applied. For utility extension projects where capital contributions are required, the capital contribution shall be set up as a tariff and tracked on a spreadsheet. The capital contribution spreadsheets shall be reconciled quarterly basis by a member of the Finance and Administration Department and any adjustments must be approved by the Manager of Finance and Administration. The levy for capital contribution remains on a customers account for a maximum of five years. The capital contribution tax codes for utility are left on the customers account in the system so that the utility department can sort the customers by project.

11. Stratford Seniors Complex

Monthly rent checks shall be compared against the monthly rent checklist to confirm that all the rents have been collected. The laundry money shall be collected, counted and a deposit slip prepared by two members Finance and Administration Department and the deposit must be signed off by the Manager of Finance and Administration.

12. Computerised Accounting System User Accounts.

Each user of the computerised accounting system shall have their own dedicated user name and password. Each user is required to keep their passwords confidential. Each user must log in under his or her own account before performing any functions in the system. Password and privileges shall be assigned by the Manager of Finance and Administration.

The privilege to make adjustments to customer accounts or general ledger accounts shall be reserved for members of the Finance and Administration staff only.