



## WiredWest Financial Controls

WW has one checking account and one savings account where the \$49 deposits are held. The Treasurer and the Chairman of the Board are the only people with signature authority on these accounts. The Treasurer has online access to each of these accounts with the ability to move money from the savings account to the checking account. All refunds are paid from the checking account. The Accountant has online access to the checking account only. Her access is read only. The Executive Director has no access to either account. The Accountant has the checkbook but no signature authority. The Treasurer and the Chairman of the Board have signature authority but no checks.

At the end of each month, the Accountant prepares a profit and loss statement and a budget variance report which she gives to the Executive Director along with a copy of the bank statements for the two accounts. The bank statement for the checking account includes pictures of all checks that cleared during the statement period. These reports along with the bank statements are presented to the board each month for the members review.

### **Refund process.**

Customers mail in a request for refund. The Executive Director and the Clerk of the Board enter these requests into the data base system that which allows verification that the customer has indeed made a deposit and that they have not already received a refund. The database system then prints the refund checks that are digitally signed by the Treasurer. The checks are then stuffed and mailed. When these checks are cashed they appear on the monthly bank statement that is reviewed by the board members.

### **Bill Paying process.**

Bills are mailed to WiredWest and the Accountant picks them up at the post office. She then creates a warrant that lists all of the current bills and attaches a check for each bill. The warrant is presented to the board for their signatures. Once the warrant is signed the Treasurer or the Chairman of the Board signs the checks and returns them to the Executive Director to be mailed. Once these checks are cashed copies of them are on the bank statement that is presented to the board for their review.

### **Opportunities for fraud.**

The Accountant or the Executive Director could create a check and forge the Treasurer or the Chairman of the Board's signature. The check on this is that when the check is cashed a picture of it will be on the monthly statement that is presented to the board for review and the Treasurer would see the transaction during his review of the account on-line.

The Executive Director's payroll is paid through an EFT transaction to his checking account. The Treasurer could artificially inflate the payroll amount. Again this would appear on the monthly bank statement and would be visible to the Treasurer on-line.

The Treasurer or the Chairman of the Board could walk into a branch of TD Bank and use a withdrawal slip to remove money from either the checking or savings account. The control again is the bank statement that is presented to the board for their review.

If the members of the board fail to review the bank statements each month then the final control is the yearly audit.