

STAFF REPORT

November 9, 2020

Topic: Approval of revised City Internal Control Policy.

Discussion: The Internal Control Policy establishes procedures for proper control of City financial transactions and control over inventories and assets.

Council last adopted an Internal Control Policy in 2015. Effective management requires periodic review of this policy to account for new technologies, updated procedures and regulatory changes. Over the past few months Finance Department staff, working with staff from other departments, have reviewed the existing policy and propose the updates listed in the accompanying proposed policy. Major changes are noted below.

Changes related to new technologies and processes

The proposed policy:

- Recognizes updates in secure scanning and signing of documents; allows Departments to sign and scan invoices directly to Finance.
- Removes several sections that refer to processes now covered under the IT Computer Use Policy adopted in 2019.
- Removes section related to dump coupons, which are no longer used.
- Include parking kiosks as an alternative to parking meters
- Removes references to the past arrangement with Gilford concerning allocation of Transfer Station revenues.
- Eliminates references to separate inventories in the town garage for public works and fire equipment. DPW has asked that these be combined. As a practical matter, the same inventory stock is used for all vehicles and specialty items are ordered as needed.

Changes to tighten regulations

The proposed policy:

- Reclassifies Many processes listed as recommendations as requirements.
- Changes quarterly review of accounts receivables to monthly review
- Identifies responsible parties in several areas where the current policy was vague

Other Changes:

The proposed policy:

- Allows individual departments to keep credit cards. Under current policy the Finance Department is tasked with maintaining physical control of all City credit cards. This change has been specifically requested by the Fire Department.

- Modifies references to rotation of duties within a department.
- Removes reference to mandated vacations of 5 consecutive days.
- Updates Welfare processes.

Fiscal Impact: None.

Staff Recommendation: Staff recommends approval of the revised Internal Control Policy

Prepared by: Glenn Smith, Finance Director

Proposed Motion: