



Accounting and Internal Controls Policy

Governance Section: Finance

Revision Date: 5/23/2024

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Purpose

To require annual audits of the Pool's funds to ensure the integrity and proper use of such funds, establish accounting guidelines, and specify duties of the Executive Director, Pool Auditor, Treasurer and Deputy Treasurer.

Authority

Interlocal Agreement

Section 3 - Administer self-insurance program

Section 3k - Investment of funds

Bylaws, Article VIII: Appointed Positions, Section 31. Treasurer and Deputy Treasurer

Bylaws, Article VIII: Appointed Positions, Section 32. Pool Auditor

Bylaws, Article X: Operations, Section 38. Internal Controls

Governance Policy: Claims Management

Governance Policy: Expense Reimbursement

Policy Statement

1. The Pool shall adhere to accounting standards promulgated by the Governmental Accounting Standards Board, and as required by state or federal laws or regulations.
2. Annual financial audit:
 - a. The financial records of the Pool shall be audited annually by either the Washington State Auditor or by a certified public accountant.
 - b. If the audit contains any reportable conditions resulting in a finding or management letter, the Executive Director shall promptly notify the Board and shall address such conditions.
3. Duties of the Executive Director:
 - a. The Pool's Executive Director shall be the Pool Auditor. The Executive Director, in their capacity as Pool Auditor, may engage others to assist them in fulfilling the duties of Pool Auditor.
 - b. The Executive Director shall review and authorize reimbursement of expenses incurred by employees, Board and committee members as well as the General Counsel (see Expense Reimbursement Policy).
 - c. The Executive Director is authorized to disburse funds in the following situations:
 - (1) Payroll for Pool employees in accordance with personnel policy or employment contracts.
 - (2) Payments within budget on approved contracts.
 - (3) Payments within budget for Pool expenses.
 - (4) Reimbursements as outlined in the Expense Reimbursement Policy.
 - (5) Claim payments per the Claims Management policy.
 - d. The Executive Committee may assign other duties and responsibilities to the Executive Director.

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4. Duties of Pool Auditor:

- a. The Pool Auditor shall implement internal controls over Pool funds to avoid losses from fraud, misrepresentation, and errors by employees or Officers.
- b. The Pool Auditor or designee shall review all claims and invoices submitted to the Pool.
- c. The Pool Auditor or designee shall maintain detailed records of all financial transactions.
- d. The Pool Auditor or designee shall review all general journal transactions monthly.
- e. The Pool Auditor or designee shall prepare annual financial statements in accordance with Generally Accepted Accounting Principles (GAAP). The Executive Committee may require interim financial statements in addition to the annual financial statements.
- f. The Pool Auditor shall submit reports of their activities to the Pool on a quarterly basis.
- g. The Executive Committee may assign other duties and responsibilities to the Pool Auditor.

5. Duties of the Treasurer:

- a. The Treasurer shall perform the statutorily required duties of a Treasurer with some duties delegated to the Deputy Treasurer. The Treasurer shall perform any further duties specified by the Executive Committee pursuant to the Bylaws, Section 31e.
- b. The Treasurer shall review and authorize reimbursement of expenses incurred by the Executive Director. In the absence of the Treasurer, the Vice-President will review and authorize reimbursement of expenses incurred by the Executive Director.
- c. The Treasurer or designee shall facilitate disbursements from investment accounts for claim settlement and administrative expenses.
- d. The Treasurer shall review banking and investment statements and reconciliations following the monthly close and in connection with quarterly Board meetings.
- e. The Treasurer shall review the annual financials prior to submission to the Pool Auditor.

6. Duties as Delegated to the Deputy Treasurer:

- a. Oversee the functions and processes related to program funds being received, deposited, and accounted for in partnership with the Thurston County Treasurer's Office.
- b. Oversee the functions and processes related to disbursements. Ensures all disbursements are issued on warrants and that electronic payments are processed with dual authentication.
- c. Ensures the Pool maintains records that account for program and investment funds.

Amendment

The Executive Committee may amend this policy.

Policy History and Repealer

Resolution No. 2-2003, Sections 4, 8, 9, 12 a and c, and 14 is hereby repealed. This policy was written in April of 2019 and consolidated (and thereby) repealed other policies. The title of the policy was changed from Internal Controls to Accounting & Internal Controls. The repealed policies include:

- Accounting as it existed on June 23, 2016.
- Internal Controls as it existed on June 23, 2016.
- Pool Treasurer as it existed on June 23, 2016

This policy was revised significantly in 2022 clarifying duties of the Treasurer and Deputy Treasurer.

Policy was amended in 2024 to add cross reference to other applicable policies and specify Pool Auditor.

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Passed by the Executive Committee May 23, 2024.

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Shonda Shipman, President

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