

FP3
Category: FINANCE

ACCOUNTING POLICY

I. PURPOSE

The purpose of this policy is to document the MBCP's method of accounting, audit schedule and standards of internal controls.

II. POLICY

1. MBCP will establish accounting practices that conform to Generally Accepted Accounting Principles (GAAP) for governmental entities.
2. An independent firm of Certified Public Accountants (CPAs) will perform an annual financial audit and an official annual financial report will be issued no later than 6 months following fiscal year-end.
3. Audit contracts will be competitively bid at least every five years, or sooner as desired by the Board. Staff will present the process and the results of its screening and selection process of the external auditor to the MBCP Finance and Audit Committee.
4. MBCP's Financial Statements including a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows will be submitted to the MBCP Operations and Policy Boards on a monthly basis.
5. Internal control procedures will be developed and routinely updated to ensure accurate financial reporting and an effective internal control structure over the assets of MBCP.
6. A management letter will be presented to the MBCP Board of Directors by the independent certified public accounting firm no later than 60 days from issuance of MBCP's audited financial report. The Policy Board will have final approval over the audit.

ESTABLISH AUDIT AND FINANCE COMMITTEE

I. PURPOSE

Under Article VII Section 3 of the MBCP Operating Rules and Regulations, the Audit and Finance Committee (AF Committee) is a permanent standing committee with a purpose of providing financial oversight for MBCP.

II. REPORTING

The AF Committee reports directly to the MBCP Policy Board.

III. COMMITTEE MEMBERSHIP

The AF Committee will consist of up to five voting members made up of Directors from the Policy and Operations Boards. The members of the AF Committee will be appointed by the Policy Board Chair and serve two, three-year terms. The AF Committee will designate the chairperson.

IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES

The AF Committee will meet quarterly and will schedule additional meetings as needed. As a permanent standing committee of the Boards, the AF Committee is subject to the Brown Act for all meetings with the following duties:

- Advise and work with MBCP's staff on budgeting, audits, financial planning/reporting, internal controls, accountability policies and investments;
- Review the proposed annual budget prior to presentation to the Policy Board;
- Provide oversight of the preparation of the annual audit and review the completed audit reports prior to the Policy Board's review;
- Recommend policies and procedures on financial matters to the Policy Board;
- Be available to review the proposed budget or any financial transactions that might require an in-depth review prior to the Policy Board's approval; and
- Perform other duties as assigned by the Policy Board.