

1.0 POLICY

Grant MacEwan University will maintain an appropriate and effective system of internal controls to mitigate risks and ensure the integrity, accuracy and appropriateness of business practices and financial reporting.

Internal control processes and procedures will be clearly documented and efficiently managed.

With the involvement of departments responsible for University financial services, internal audit, and risk management, all academic departments, services areas, ancillaries, and resources areas will establish and maintain a system of internal controls that adheres to MacEwan's overall internal control framework.

2.0 RATIONALE AND GUIDING PRINCIPLES

2.1 Purpose

2.1.1 The purpose of this policy is to establish a shared accountability for MacEwan's system of internal controls and to ensure these controls exist and are effective for:

2.1.1.1 Identifying and mitigating risk;

2.1.1.2 Identifying key indicators to fraudulent or dishonest behaviour;

2.1.1.3 Contributing to the safeguarding of assets; and

2.1.1.4 Properly recording transactions as necessary to permit the preparation of the financial statements in conformity with MacEwan's finance and accounting policies.

2.2 Rationale and Guiding Principles

2.2.1 An effective system of internal controls is essential for securing public confidence in MacEwan's operations and financial results, and for identifying and realistically managing risks.

2.2.2 The following principles guide actions and decisions that support an effective system of internal control:

2.2.2.1 Complies with applicable legislation and MacEwan policies and procedures;

2.2.2.2 Defines lines of responsibility and delegation for all financial transactions and business decision-making;

2.2.2.3 Control measures are appropriate and contribute to the achievement of the objectives and strategies of MacEwan.

3.0 SCOPE AND DEFINITIONS

3.1 Scope

This policy applies to all employees and contractors participating in MacEwan's established business processes. These processes include but are not limited to financial, contractual and employee related matters.

3.2 Definitions

3.2.1 **Executive officer** means the president, vice presidents and equivalent positions.

3.2.2 **Risk** is the combination of the probability of an event and its consequences. Risk is anything that impacts the achievement of an organization's objectives.

3.2.3 **System of internal controls** is a process designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

3.2.3.1 Effectiveness and efficiency of operations;

3.2.3.2 Reliability of financial reporting;

3.2.3.3 Compliance with applicable laws, regulations, policies and procedures.

4.0 REGULATIONS

4.1 Policies and procedures shall exist for five interrelated control components: control environment, risk assessment, control activities, information and communication, and monitoring.

4.2 An appropriate organizational structure is in place and has the ability to provide the necessary information flow and approvals to manage its activities.

4.2.1 Adequate definition of role responsibilities and the understanding of these responsibilities is in place;

4.2.2 Appropriate control-related standards and procedures are in place; and

4.2.3 Appropriate number of people with the requisite skill levels is in place.

4.3 The department responsible for University financial services has the responsibility to:

4.3.1 Review and measure the effectiveness of controls established within the framework of this policy;

4.3.2 Ascertain the relevance, reliability and integrity of financial and operating information and the means of generating and reporting that information;

Internal Controls

D3300

- 4.3.3 Establish systems that comply with MacEwan's policies, objectives, standards and procedures that relate to financial matters with federal and provincial laws and regulations;
- 4.3.4 Consult and communicate with stakeholders regarding new or revised internal control processes;
- 4.3.5 Ensure compatibility and completeness of financial information; and
- 4.3.6 Oversee the methods used to safeguard MacEwan's assets.
- 4.4 The department responsible for University financial services will ensure appropriate training and information are made available in a timely manner to the MacEwan community to communicate the scope and intent of internal control practices.
- 4.5 Departments shall seek the involvement of the department responsible for University financial services when setting up new processes that result in financial transactions.
- 4.6 The executive officer responsible for University Services is responsible for executive oversight of this policy.
- 4.7 The chief financial officer is responsible for the implementation of this policy and for developing operational policies and procedures to support this policy.
- 4.8 Responsibility for compliance with MacEwan policies and procedures extends to all members of the MacEwan community. Non-compliance may create risk for MacEwan and will be addressed accordingly (see clause 4.5.1 "Respect for the law and University governance" of the University's policy D1200 Code of Conduct - Employees for additional guidance).

FACT SHEET

Relevant Dates

Approved:	2010.02.18
Effective:	2010.02.18
Next Review:	2013.02

Source

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2010.02.18	This is a new policy approved by Board Motion 01-02-18-2009/10.
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References and Acknowledgements:

Accountability

Office of Accountability:	Vice President, University Services
Office of Administrative Responsibility:	CFO and Associate Vice President, University Services
Approved By:	Board of Governors
Contact Area:	Financial Services
Authority:	Board of Governors

Related and Associated Matters

Related Policies: D3000 Financial Management, D7040 Fraud & Irregularities, D7120 Internal Audit