

***OTTAWA COUNTY BOARD OF COMMISSIONERS***

**ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICY**

**I. POLICY**

As stewards of funds, the County must provide accountability for their use. The accounting, auditing and financial reporting functions address accountability and provide critical information to the County Board, administrative staff, and department managers that helps them assess their programs and aid in decision-making.

The intent of this policy is to establish guidelines and standards for the County's accounting, auditing and financial reporting process.

**II. STATUTORY REFERENCES**

Public Act 2 of 1968, Uniform Budgeting and Accounting Act  
Public Act 71 of 1919, Uniform System of Accounting MCL 141.921(1)  
Public Act 34 of 2001, the Revised Municipal Finance Act  
SEC Rule 15c2-12

**III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES**

Board of Commissioners Policy Adoption Date and Resolution Number: \_\_\_\_\_

Board of Commissioners Review Date and Resolution Number: \_\_\_\_\_

Name and Date of Last Committee Review: \_\_\_\_\_

Related Policies: \_\_\_\_\_

## ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICY

### PROCEDURE

1. The County will comply with generally accepted accounting principles as contained in the following publications:

- *Codification of Governmental Accounting and Financial Reporting Standards* issued by the Governmental Accounting Standards Board (GASB)
- *Pronouncements of the Financial Accounting Standards Board* (FASB)
- *Governmental Accounting, Auditing and Financial Reporting* (GAAFR) issued by the Government Finance Officers Association (GFOA) of the United States and Canada
- *Audits of State and Local Government Units*, an industry guide published by the American Institute of Certified Public Accountants (AICPA)
- *Government Auditing Standards* issued by the Controller General of the United States
- *Uniform Budgeting and Accounting Act*, State of Michigan Public Act 2 of 1968
- *Uniform System of Accounting Act*, State of Michigan Public Act 71 of 1919
- *Municipal Finance Act*

2. The County will issue all required financial reports by their established deadlines:

- A comprehensive financial audit including an audit of federal grants according to the United States Office of Management and Budget Circular A-133 will be performed annually by an independent public accounting firm. The firm will express an opinion on the County's financial statements.
- The Comprehensive Annual Financial Report will be issued within six months of the County's fiscal year end.
- The Comprehensive Annual Financial Report will be in compliance with the standards and guidelines established by the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting program.
- The Schedule of Federal Financial Assistance (Single Audit) will be issued within nine months of the County's fiscal year end.
- The County will submit a qualifying statement to the State of Michigan in compliance with Public Act 34 of 2001, the Revised Municipal Finance Act.
- The County will meet all continuing disclosure filings required by the Securities and Exchange Commission (SEC) including the guidelines established by SEC Rule 15c2-12.

3. The County will provide accurate and timely financial reports to departments and the Board of Commissioners to aid them in assessing the financial condition of the County and individual departments:

- A system of internal accounting controls will be maintained to adequately safeguard assets and provide reasonable assurances of proper recording of the County's financial transactions.
- The internal control practices of individual departments will be reviewed annually in connection with the annual audit.
- Monthly financial reports including a budget to actual comparison, transaction listing and budget exception report will be provided to departments or departments will have access to such information.
- Fiscal Services Department will provide the Finance and Administration Committee of the Board with budget to actual comparisons for the General Fund, Mental Health Fund and Health Fund on a quarterly basis or as requested.

### **REVIEW PERIOD**

The County Administrator will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.