

LOCAL AGENCY FORMATION COMMISSION  
POLICIES AND GUIDELINES

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(Policy 2.1.8). The Executive Officer may authorize payment of routine claims prior to the Commission's review in order to avoid late charges, ensure prompt payment and to qualify for early payment discounts.

- (a) An audit of LAFCO's financial statements shall be conducted annually.

**2.7.3 Internal Financial Controls**

The following are the internal controls and safeguards of LAFCO:

- (a) The Office Manager/Commission Clerk and Executive Officer will follow adopted procedures for invoices, claims, disbursements, receipt and deposits of revenues. The Office Manager/Commission Clerk shall initiate transactions such as ~~purchase orders~~ **Check Request and/or Credit Card Request** and payment of invoices and claims.
- (b) The Executive Officer and/or the Commission shall authorize transactions. The Commission will review and approve all claims monthly as specified by Policy 2.1.8.
- (c) The Office Manager/Commission Clerk will prepare payments and checks as specified in the approved procedures.
- (d) The Executive Officer will review and sign all checks. Two signatures are required for any check in excess of \$5,000.
- (e) The Office Manager/Commission Clerk shall maintain and reconcile records of all financial transactions. The Executive Officer will review reconciliations monthly. Financial updates and budget reports will be prepared and presented to the Commission no less frequently than quarterly.
- (f) An outside financial audit will be conducted following the close of each fiscal year and presented to the Commission when complete.