



BOARD/GOVERNANCE POLICY

Title: Financial Statement Services	Number: (insert policy #-optional)
Cross Reference: (include other policies that may relate)	
Approved by: Illinois State Council Board of Directors	Origination Date: 10/15/2017
Revised by:	Approval Date: 11/4/2017
	Revision Date:

POLICY:

- 1.1 Standardizing of processes to ensure an appropriate level of assurance on Illinois ENA's financial statements.

STANDARDS/CRITERIA:

- 2.1 Illinois ENA engages an independent, qualified, and licensed Certified Public Accountants (CPA) with appropriate not-for-profit organization experience for financial statement services only.
- 2.2 The Illinois ENA CPA who is responsible for tax filing services may not perform financial statement services.
- 2.3 The Illinois ENA bookkeeper who is also a licensed CPA may not perform financial statement services.
- 2.4 Prospective CPAs for financial statement services are required to disclose any relationships or conflicts of interest, either actual or perceived, to Illinois ENA, including but not limited to:
 - 2.4.1 Personal or business (including fee-for-service and employment [contractual, consultative, or seasonal]) relationships (either current or historical) with a member of the Illinois ENA Board of Directors, CPA, bookkeeper, or legal counsel.

Review

- 3.1 A review provides limited assurance on the organization's financial statements.
- 3.2 A review includes inquiries and analytical procedures for expressing limited assurance that no material modifications to the financial statements are necessary and that they are in conformity with generally acceptable accounting principles and state law.
- 3.3 Reviews are a less costly type of financial statement service and are appropriate for routine financial statement service.

Audit

- 4.1 An audit provides the highest level of assurance on the organization's financial statements, including that financial statements are free of material misstatement and



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- are fairly presented based upon generally accepted accounting principles and state law.
- 4.2 An audit generally includes:
 - 4.2.1 Confirmation with outside parties
 - 4.2.2 Testing selected transactions by examining supporting documents
 - 4.2.3 Completing physical inspections and observations
 - 4.2.4 Considering and evaluating the internal control system of the organization
 - 4.3 Audits are the most expensive financial statement service and are generally not required on a frequent basis.

PROCEDURE:

Review

- 5.1 A majority of the voting members of the Board of Directors may authorize a financial review at any given time.
- 5.2 The Board of Directors solicits a financial review no less than every 4 years or as recommended by Illinois ENA legal counsel, CPA, or bookkeeper, or ENA national office.

Audit

- 6.1 A majority of the voting members of the Board of Directors may authorize a financial audit.
- 6.2 The Board of Directors solicits a financial audit upon substantial evidence of accounting irregularities or as recommended by Illinois ENA legal counsel, CPA, or bookkeeper, ENA national office, or to comply with a legal investigation.