

# Financial Statement Internal Control Document

**Company Name:** Sample Corporation Ltd.

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## 1. Objective

The objective of this document is to outline and formalize the internal control processes that govern the preparation and presentation of the company's financial statements. These controls are designed to ensure accuracy, reliability, and compliance with applicable accounting standards.

## 2. Scope

These internal controls apply to all financial statement preparation activities, including data collection, reconciliation, journal entries, financial close, and reporting.

## 3. Control Environment

- Management is committed to ethical conduct and integrity in financial reporting.
- Employees are trained on financial processes and internal controls.
- Segregation of duties is implemented across all financial functions.

## 4. Key Internal Controls

Control Activity	Description	Responsible Party	Frequency
Account Reconciliation	Review and reconcile key accounts monthly to source documentation.	Accounting Team	Monthly
Journal Entry Approval	All manual journal entries above \$10,000 must be approved by Finance Manager.	Finance Manager	Ongoing
Access Controls	Restrict access to accounting software based on roles and responsibilities.	IT Department	Quarterly Review
Variance Analysis	Analyze and explain significant budget-to-actual variances.	FP&A Analyst	Monthly
Financial Review	Quarterly financial statements reviewed by Controller prior to release.	Controller	Quarterly

## 5. Monitoring and Review

The effectiveness of these controls is reviewed periodically via internal audits and management assessments. Identified deficiencies are documented, and corrective action plans are tracked to completion.

## 6. Documentation and Retention

- All supporting documentation for financial statement preparation is retained for a minimum of 7 years.
- Documentation includes reconciliations, approvals, accounting memos, and audit trails.

## 7. Approval

**Approved by:**

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Chief Financial Officer

Date: \_\_\_\_\_

## **Important Notes**

- Internal controls should be reviewed and updated regularly to adapt to changing business processes or regulations.
- Documented controls enhance the reliability and credibility of the company's financial statements.
- Employee training and awareness are critical to effective control implementation.
- Any identified weaknesses or breaches should be reported and remediated without delay.