

F21.0 FINANCIAL STATEMENTS AND RETURNS

POLICY

Quarterly financial statements of the *Society* shall be made available to the Board of Directors on a regular basis. An external audit shall also be contracted annually so as to provide an independent opinion of the *Society's* financial well being. Furthermore, the Board of Directors shall ensure that financial reports, such as the annual charity tax return, are submitted to the proper authority and within the allowed period of time.

PROCEDURE

1. Quarterly financial statements shall be provided to the Board of Directors, for review and approval, at each regular meeting of the Board of Directors. These statements shall report the period's actual revenues and expenses, the year-to-date budget, a variance column measuring the difference between the actual and the budget amount as well as the approved annual budget. A written explanation will be required whenever the variance is deemed significant.¹
2. The Director of Finance will prepare the annual financial statement for the *Society*. Subsequent to the completion of the annual financial statement, and within 90 calendar days of the fiscal year-end, an independent audit will be completed. The audited statement shall be prepared by a chartered accountant. The selection and the approval of the auditor shall take place during the prior year's Annual General Meeting (AGM).
3. All receipts, statements, cheques, Board minutes and other required information shall be gathered together after year-end by the Manager of Finance and made available to the auditor. A formal letter of engagement, which will include the start and the end date of the engagement, shall be given to the auditor at this time.
4. The audited financial statements will be provided to all members of the *Society* who attend the Annual General Meeting. The Treasurer, auditor or a designate will review the statements with the members present, and a vote to accept the report will be held with the results of the vote recorded in the minutes of the meeting.
5. The Treasurer will present any recommendation made by the auditor to the Board of Directors at a regularly schedule meeting. Recommendations will be discussed and adopted in principle by the Board of Directors if deemed appropriate.

¹ The term significant is subjective and each Board must determine the dollar amount that is appropriate for their organization.