

Financial Oversight Policy

1. Introduction

The Board of Directors (Board) of the Safety Codes Council (Council) is responsible for approving the strategic direction of the Council and monitoring the implementation of the Council's strategic and business plans, and annual budgets. The President and Chief Executive Officer (CEO) is responsible for the execution of the Council's strategic and business plans, the management of annual budgets, the implementation of investment and risk management plans, and ensuring that assets are adequately secured, protected and maintained.

Employees, under the President and CEO's guidance, follow policies, procedures, and professional practice that ensure responsible management of the Council's financial resources and assets.

2. Purpose

This policy delegates responsibility for Council financial planning and activities to the President and CEO, articulates the Board's specific expectations to direct the President and CEO in the operational financial management of the Council, and specifies the Board oversight activities necessary to fulfill its fiduciary responsibilities.

3. Definitions

agreement: means any written document that legally binds the Council evidencing that the Council and one or more third parties have exchanged legally binding rights, duties, obligations, or promises for consideration.

employee: means a person engaged by the Council to perform a service in accordance with an employment agreement.

member: means an individual appointed to the Council by the Board or the Minister of Municipal Affairs.

4. Policy

4.1. The Board delegates its responsibilities for Council financial planning and activities to the President and CEO and holds the President and CEO accountable for the management and use of Council financial resources.

Board Oversight

4.2. The Board will fulfill its financial responsibilities by establishing expectations and limitations for the President and CEO on the management and use of financial



resources and oversee the financial planning and activities of the Council. Board oversight activities include:

- 4.2.1. review and approval of business plans and annual budgets;
- 4.2.2. pre-approval of single or cumulative **agreement** or expenditure commitments totalling more than \$150,000;
- 4.2.3. review and approval of all **agreements** and expenditure authorizations that exceed \$2.5M;
- 4.2.4. review of financial performance on a quarterly basis;
- 4.2.5. review and approval of annual financial statements;
- 4.2.6. review and approval of the annual report;
- 4.2.7. review of annual external independent audit plans and reports;
- 4.2.8. review and confirm the President and CEO's response to annual external audit and monitoring action plans;
- 4.2.9. recommend to **members** the appointment of an external financial auditor;
- 4.2.10. review of the risk register on a quarterly basis; and
- 4.2.11. ensure the financial performance of the Council is reported to **members** and that the financial results are reported fairly and in accordance with Canadian public sector accounting standards.

President and CEO: Delegations

4.3. The President and CEO will manage and conduct the business affairs of the Council within the following expectations and limitations:

Financial reporting

- 4.3.1. Ensure that the Board receives:
 - 4.3.1.1. quarterly forecasts and annual financial statements for review with accounting for variances from the approved budgets;
 - 4.3.1.2. a quarterly report on the Council's investment portfolio;
 - 4.3.1.3. an annual report on Council performance, including financial results;
 - 4.3.1.4. immediate information regarding non-compliance or breach of operational policy or process that has a fundamental impact on the financial position of the Council;



4.3.1.5. information regarding the establishment or closure of any Council bank account; and

4.3.1.6. information on the change of banking institution.

Financial Management and Controls

4.3.2. Manage the financial resources of the Council according to the budgets approved by the Board.

4.3.3. Follow financial and reporting best practices, including Canadian public sector accounting standards.

4.3.4. Ensure the Council's banking institution is a Schedule 1 Bank, as set out in the Bank Act, S.C. 1991, c.29, as amended.

4.3.5. Ensure systems are in place to implement and maintain the integrity of the Council's internal financial management controls and information systems.

4.3.6. Ensure internal controls and information systems have been implemented that have clearly defined individual responsibilities and accountabilities to effectively manage risk.

4.3.7. Monitor operational and financial results.

4.3.8. Ensure that financial performance of the Council is reported to **members**.

External Audit

4.3.9. Arrange for an independent external audit of the Council's annual financial operations.

Risk Management

4.3.10. Develop a risk management plan that identifies the Council's principal financial risks.

4.3.11. Ensure that appropriate mitigating actions have been identified and implemented to manage the financial risks.

Financial Planning

4.3.12. Prepare annual budgets that enable achievement of the approved strategic and business plans.

Policies and Procedures

4.3.13. Ensure that the Council develops, implements, and monitors compliance with Council Programs and Services and Operations policies and procedures that safeguard financial assets.

4.3.14. Ensure that financial policies, procedures, and practices are aligned to comply with regulatory requirements, government policy and accounting standards.

5. Authority

This policy is established by the Board under the authority of Section 19 of *Safety Codes Act* and Article 6.2 of the Council’s Bylaws.

6. Scope

This policy applies to the Board and the President and CEO.

7. Related Policies and Procedures

- 3.1.3 Signing Authority Policy

8. Version History

Date	Notes
July / 01 / 2018	New policy
January / 01 / 2019	Update for document format standards
December / 11 / 2020	Update for clarification on bank-related activities, signing authority, reporting, alignment with governance documents, and document format standards