

 BOARD POLICY	Policy Name: Audit	Policy Number: 2.2	
	Approval Signature:	Section: Finance	Page 1 of 3
	Supersedes:		
	Approved by Board: June 23, 2025	Next Review Date: 2027	
	Policy Contact (Position): Executive Director	Name of Responsible Committee: Executive Committee	

AUDIT POLICY

1. PURPOSE

Northern Association of Community Councils Inc. (NACC) The purpose of this policy is to ensure transparency, accountability, and sound financial management in the oversight of the Northern Association of Community Councils Inc. (NACC)'s financial records. This policy establishes guidelines for selecting an accredited auditor, defining the scope of the audit, and ensuring proper financial reporting. It also ensures that audit findings and recommendations are reviewed, acted upon, and shared with the Board, Executive, funding agencies, and members.

2. AUTHORITY

Under NACC By-laws, directors may adopt, amend, or repeal policies relating to the governance, management, operation, and affairs of the Corporation that are not inconsistent with the NACC's By-laws, as the directors may deem appropriate from time to time.

3. POLICY

(a) Accounting and Reporting

- (i) The fiscal year for NACC is from April 1 of the current year to March 31 of the following year.
- (ii) Monthly financial reports, detailing revenues, expenditures, budget variances and year end projections, shall be provided to the Board of Directors.
- (iii) The Board shall recommend to the Member communities at every Annual General Conference the appointment of an auditor to review the financial records and operating procedures at the end of the next fiscal year.
- (iv) All financial accounting shall be on an accrual basis according to GAAP.

(b) **Audit**

The Board will conduct a tender process for selecting an auditor bi-annually. The recommendation of the auditor shall be approved by a board resolution. The appointment of auditor shall be submitted to the Members to adopt, at the next meeting of Members.

The completed audit will be accepted by way of motion in the following sequence:

- Board of Directors meeting
- Annual General Conference

(c) **Scope of Audit**

The Executive Committee of the Board will set the terms and scope of the audit such as:

- (i) The examination must be in accordance with accepted audit practices, including a general review of accounting procedures, and accounting records, and whatever the Executive Committee deems necessary in the circumstances.
- (ii) The right of access, at all reasonable hours, to the records, supporting vouchers and documents including minutes of the Executive Committee, Board and other NACC meetings as may be necessary.
- (iii) Financial statements are to report all NACC financial activities and consist of:
 - (1) Balance Sheet
 - (2) Statement of revenue and expenditures for each service or program
 - (3) Details of surpluses or deficits for each program and a consolidated Balance Sheet of Revenue and Expenses
 - (4) Book reconciliation for each account
 - (5) A general ledger will be maintained and updated monthly to facilitate a continual accounting of revenues received, showing expenses incurred, changes to assets, liabilities and NACC equity.
 - (6) Bank reconciliations will be prepared upon receipt of bank statements and corresponding cancelled cheques.
 - (7) Payables will be prepared and balanced to general ledger including control accounts where applicable.

(d) **Audit Report**

- (i) The auditor is to express an opinion as to the accuracy of the financial statements as a reflection of the financial position of the NACC. Recommendations by the auditor to the NACC will be an integral part of the audit.
- (ii) The Executive will ensure that, where appropriate, the recommendations made by the auditor are implemented.
- (iii) The Auditor's Report will be made available to all NACC members at the next general assembly.
- (iv) Detailed financial statements will be prepared annually or as required by the Executive of the funding agencies who will state what information is to be included in the statements.
- (v) The budget as approved shall be monitored by the Board. Any deviation from the budget allocation shall require a majority decision of the Board.
- (vi) No authority will be granted and no expenditures will be made unless the fiscal resources are available or have been secured for that particular expenditure.

4. **MONITORING AND REVIEW**

This policy will be reviewed every two (2) years by the Executive Committee or more frequently if required to ensure compliance with any changes in employment standards to ensure its continued relevance and alignment with the NACC's operations. Changes to the policy will be documented and communicated to the Board for approval.

5. **BOARD ACCEPTANCE**

This policy will be approved by the Board of Directors. The President / Chair of the Board will sign and date the policy to indicate its approval and adoption.

Reviewed: June 23, 2025

Revisions Approved: June 23, 2025