

## AAC FINANCIAL MONITORING AND REPORTING

<b>Policy Number:</b> FN-1	<b>Approved:</b> March 14, 2012 <b>Updated:</b> November 23, 2013 <b>Revised:</b> May 29, 2020	<b>Scheduled Review:</b> August of each fiscal year
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### Introduction

Alberta Assessment Consortium provides service to the education community by

- advocating for sound classroom assessment practices by engaging in collaborative endeavors with AAC member jurisdictions and education partners;
- contributing to the building of assessment literacy in Alberta through action research and inquiry initiatives;
- developing a broad range of classroom assessment materials, directly aligned to Alberta curriculum, that address both formative and summative processes; and
- enhancing teacher/leader assessment capacity by providing opportunities for quality professional learning.

The AAC Board of Directors provides the governance structure to allow AAC to fulfil its vision, mission and mandate in service to its members. The AAC Board of Directors exercises fiduciary responsibility to ensure that the organization is in compliance with all legal requirements of the Societies Act and accounting standards of the Canadian Institute of Chartered Accountants. In order to fulfill these responsibilities, regular financial updates are required.

### Purpose

This policy seeks to describe a process for ongoing review of AAC financial operations in order to assist the AAC Board of Directors in fulfilling its fiduciary responsibilities.

### Policy

The financial records of AAC are to be audited each year by a member of the Alberta CA, CMA, or CGA organizations. Following the yearly audit, the Executive Director will review recommendations from the auditor in regard to improving internal controls and consult with the Board of Directors if there are any reasons why these recommendations are not feasible to implement.

AAC operations will be guided by a budget with year to date updates provided to the Board of Directors at regular intervals throughout the year.

## Procedures

### Audit Procedures

- A pre audit meeting will be scheduled with the auditor, the contracted accountant (as required), the AAC Executive Director, and the AAC Executive Assistant (who performs the bookkeeping functions) prior to the end of the fiscal year to review procedures and to begin collecting and organizing the required information.
- The AAC Executive Director and the AAC Executive Assistant will be available to assist with providing information during the audit as required.
- An audit findings meeting is held with the auditor, AAC Executive Director, AAC Executive Assistant, Board Chair, and members of the AAC Audit and Finance Sub-committee to review the audit prior to the fall meeting of the AAC Board of Directors.
- The audited financial statement will be presented to the Board of Directors for approval at a meeting of the Board of Directors prior to the Annual General Meeting.

### Budget Procedures

- A preliminary budget for the upcoming fiscal year will be prepared and presented to the Board of Directors at the final Board Meeting of the fiscal year. The budget will be based on
  - consideration of long and short term planning;
  - a comprehensive assessment of AAC services;
  - direct and indirect operating expenditures;
  - the terms and conditions as specified by the various funding bodies;
  - potentially changing costs and conditions; and
  - anticipated funding during the program year.
- A proposed budget will be prepared and presented to the Board of Directors at a Board Meeting prior to the Annual General Meeting. Any required revisions will be made prior to presenting the proposed budget at the AGM.
- Year to date budget updates will be provided to the Board of Directors four times each year as per the schedule outlined in the *Policy BD-1: AAC Board of Directors Yearly Planning Cycle*.
- Notwithstanding the regular schedule for review, the Executive Director is responsible for alerting the Board of Directors of any emergent issue that is deemed to be of significant financial concern.

## Responsibilities

It shall be the responsibility of Board of Directors to

- review financial information provided in the review or audit as well as in the year to date budget updates; and
- make decisions based on emerging financial needs and/or risks.

It shall be the responsibility of the Treasurer to

- review the auditor's report and discuss findings with the Executive Director in preparation for the Treasurer's Report for the Annual General Meeting;
- review year to date budget updates with the Executive Director prior to presentation at the regular meetings of the Board of Directors;
- consult with the ad hoc financial expert member of the AAC Finance and Audit Sub-committee if further advice is required as per *Policy BD-3: AAC Board of Directors' Subcommittees*; and
- review and approve expenditures in relation to the Executive Director including expense claims, VISA statements, and payroll.

It shall be the responsibility of the Executive Director to

- cooperate with the auditor in completing the review or audit;
- arrange for the auditor’s attendance at an audit findings meeting of the Finance and Audit Sub-committee, as well as the fall meeting of the Board of Directors, both of which are to be held prior to the AGM;
- implement recommendations resulting from the yearly financial review or audit in order to improve internal controls, and to discuss with the Board of Directors when the recommendations are not feasible to implement;
- assist the Treasurer with preparation of the Treasurer’s report for the Annual General Meeting;
- prepare a budget to guide the financial operations of AAC;
- review monthly statements of revenue and expenses with the Executive Assistant;
- prepare an accurate accounting of the year to date budget according to the Board of Directors’ yearly meeting schedule;
- address any issues arising in a timely manner;
- communicate emergent financial risks deemed to be of significant concern that occur outside of the regular review schedule to the Board of Directors;
- review all invoices and approve all expenditures other than those relating to the Executive Director;
- monitor accounts on a regular basis;
- ensure accurate financial records are maintained;
- ensure reliable back-up procedures are in place for financial documents; and
- ensure that the procedures specified in this policy are implemented appropriately.

**Related Documents**

- *Policy BD-1: AAC Board of Directors’ Yearly Planning Cycle*
- *Policy BD-3: AAC Board of Directors’ Subcommittees*
- *AAC Bylaws (current)*

- 6.1 A professional accountant, licensed in the province of Alberta shall conduct an audit of the financial records in accordance with existing policy. A complete and proper statement of the standing of the books for the previous year shall be presented by such accountant at the Annual Meeting of the Members’ Representative Council.
- 6.2 The fiscal year shall be from July 1<sup>st</sup> to June 30<sup>th</sup>.
- 6.3 The financial records of the Consortium may be inspected by any member of the Consortium at the annual meeting or at any time on giving reasonable notice and arranging a time satisfactory to the officer or officers having charge of same. Each member of the Board of Directors shall have regular and ready access to financial records.

**Authorization**

[original signed]  
Signature of Chairperson

Amber Darroch  
Name of Chairperson

May 29, 2020  
Date