

Financial Management

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Lead Role:	General Manager	Replaces:	N/A
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Policy Statement

Financial resources of Beaver Municipal Solutions (BMS) are well managed and safeguarded through balanced controls that enable flexibility and manage risk

The expected results of this policy are as follows:

1. Governance and oversight over financial management are effective;
2. Internal controls over financial management are effective;
3. Financial information supports decision making and accountability to Shareholders;
4. Standardized and efficient financial management practices are in place; and
5. The financial management workforce is agile and sustainable.

Guidelines

A. The General Manager is responsible for the following:

1. Governance and oversight

- a. Designating a chief financial officer (CFO) to lead the organization financial management function.
- b. Establish organizational governance and oversight to ensure that;
 - i. Senior managers and CFO;
 1. Are aware of their financial management responsibilities
 2. Have the necessary knowledge to carry them out; and
 3. Monitor financial performance within their areas of responsibilities.
 - ii. The CFO is empowered to provide strategic financial and business advise and support to senior managers; and
 - iii. The delegation of financial authorities is risk-based, taking into consideration the timely delivery of operations, empowerment of individuals and organizational controls.
- c. Investigation and acting when significant issues regarding policy compliance arise, and ensuring that appropriate remedial action is taken to address such issues within the organization.
- d. Ensuring the CFO advises the General Manager on a timely basis when there are

difficulties in complying with this policy, its supporting instruments or other direction from the Board of Directors.

- e. Advising the Board of Directors on a timely basis when there are issues that pose a critical financial risk to the organization, including the possibility that the organization exceeds its budget.

2. Internal Controls:

- a. Ensuring that a risk-based organizational system of internal control over financial management is established, monitored and maintained.

3. Financial Information:

- a. Ensuring the timely and accurate organizational information is available to support decision making in the organization.
- b. Approving key financial statements, disclosures and reports, including the following:
 - i. Financial reports and statements, including financial statements;
 - ii. Annual Statement of Management Responsibility including internal control over financial reporting, including a summary of the annual assessment of the system of internal control over financial reporting; and
 - iii. Other documents as required.

4. Financial Management Workforce:

- a. Ensuring the development of talent management and succession plans that:
 - i. Demonstrate that the organization has ongoing strategic leadership capabilities and the capacity to lead the financial management workforce.
- b. Ensuring that the CFO:
 - i. Reports directly to the General Manager;
 - ii. Is not assigned operational responsibilities;
 - iii. Is not assigned non-financial corporate responsibilities that would compromised their objectivity or financial capabilities; and
 - iv. Possess a designation bestowed by the Chartered Professional Accountants of Canada (CPA Canada).
- c. Consulting with the Board of Directors regarding the CFO position prior to the

appointment, replacement or departure of the CFO.

B. The CFO is responsible for:

1. Governance and Oversight

- a. Supporting the General Manager for fulfilling their financial management responsibilities and accountabilities.
- b. Leading and managing the organizational financial management function, including the following;
 - i. Providing strategic financial and business advice to support the General Manager and senior managers to ensure that:
 - Operational plans and key business decisions are based on sound financial analysis; and
 - Financial results are integrated into the management of program performance.
 - ii. Leading the organizational financial planning and budgeting process, including the following:
 - The timely allocation of budgets; and
 - The provision of tools to forecast and manage financial resources;
 - iii. Accessing financial pressures, both on an in-year and multi-year basis, and recommending resource management strategies, including opportunities to reallocate funds; and
 - iv. Ensuring the organization's financial plans, budgets, financial performance and financial position are regularly communicated and integrated into division Strategic planning processes.
- c. Performing a challenge function on financial management matters, including assessing organizational plans, and forecasts to determine whether;
 - i. Financial resources are aligned with organizational priorities;
 - ii. Key financial assumptions underlying the plans are reasonable and their multi-year impacts have assessed;
 - iii. Financial risks and mitigating strategies are identified; and
 - iv. The anticipated multi-year financial position of the organization is reasonable;

- d. Serving as the primary contact point with legislative authorities on all matters related to organizational financial management;
- e. Advising the General Manager on a timely basis if:
 - i. There is a critical financial risk to the organization;
 - ii. There are significant organizational financial transactions that involve uncertain or unusual circumstances; or
 - iii. There are difficulties complying with this policy, its supporting instruments or other direction from the Board of Directors;
- f. Advising the Board of Directors on timely basis if the General Manager does not accept the CFO's advice on a significant financial matter.

2. Internal Controls:

- a. Establishing, monitoring and maintaining a risk-based system of internal control over financial management to provide reasonable assurance that:
 - i. Organizational resources are used prudently and in economical manner;
 - ii. Financial management processes are effective and efficient; and
 - iii. Relevant legislation, regulations and financial management policy instruments are being complied with.
- b. Establishing, monitoring and maintaining a risk-based system of internal control over financial reporting, as demonstrated by the organizational Statement of Management Responsibility, including, internal control over financial reporting, to provide reasonable assurance, at a minimum, that;
 - i. Records are maintained that support and represent fairly all financial transactions;
 - ii. Recording of financial transactions allows for the preparation of internal and external financial information, reports and statements in compliance with financial management policy instruments;
 - iii. Expenditures made are in accordance with delegated authorities, and unauthorized transactions that could have a material effect on the financial statements are prevented or detected in a timely manner;
 - iv. Financial resources are safeguarded against material loss due to waste, abuse, mismanagement, errors, fraud, omissions and other irregularities.

- c. Ensuring that prompt corrective action is taken when control weaknesses and material unmitigated risks are identified, including the risk of fraud, in the system of internal control over financial management and financial reporting.

3. Financial Information:

- a. Maintaining and reporting timely and accurate organizational financial information;
- b. Integrating financial information with non-financial information to support decision making and risk management;
- c. Ensuring the accuracy and reasonableness of key organizational financial information, financial statements, disclosures and reports, including the following:
 - i. Financial reports and statement, including annual financial statements;
 - ii. Annual Statement of Management Responsibility including Internal Control Over Financial Reporting, including a summary of:
 - The results of the annual assessment of the system of internal control over financial reporting, along with actions taken and future plans.
 - iii. Other documents as required.
- d. Notifying the General Manager of any subsequent material errors or changes in respect to information referred to in this policy.

4. Financial Management Workforce:

- a. Ensuring that the CFO possesses a designation bestowed by CPA Canada;
- b. Developing a sustainable talent management strategy and succession plan to ensure that the department has the capacity to deliver the financial management workforce; and;
- c. Providing leadership in cultivating a high-performance financial management culture;

C. Governance and Oversight

Senior managers are responsible for:

1. Establishing governance and oversight to ensure that individuals responsible for financial management in their area of responsibility.
 - a. Are aware of their financial management responsibilities and have the necessary training to carry them out;
 - b. Exercise their delegated authorities in accordance with organizational rules, and;

- c. Monitor the financial management performance in their areas of responsibility.
2. Developing timely financial plans and budgets for their area and ensuring that:
 - a. Financial resources are aligned to support their program priorities;
 - b. Key financial assumptions underlying plans and decisions are supported and their multi-year impacts have been identified and assessed; and
 - c. Financial risks and mitigating strategies are identified.
3. Regularly monitoring and communicating to the CFO the status of their financial plans, budgets, performance and financial position.
4. Notifying the CFO when they anticipate being unable to comply with this policy, its supporting instruments, or other direction from the Board of Directors.

D. Definitions:

Financial Management:

A continuum of finance-related activities undertaken to ensure sound and prudent use of organizational funds in an effective, efficient and economical manner.

Financial Plan:

A multi-year plan providing the basis for identifying the elements of the work and priorities to be delivered to achieve the organizations objectives. A financial plan supports the development of the in-year organizational budget and related allocations of resources.

Financial Reporting:

Internal and external financial reports and disclosures. Internal financial reporting can include financial information that supports decision making, risk assessment, planning, budgeting, resource allocations, accounting, performance assessments and reports. External reporting includes all financial statements, reports or disclosures, including those prepared for the Board of Directors or designed to be made public.

Internal Control over Financial Management:

A set of measures and activities that provide reasonable assurance of the effectiveness and efficiency of the financial management activities of the organization.

Internal Control over Financial Reporting:

A subset of the system of internal control over financial management. Internal control over financial reporting is a set of measures and activities that allow senior management and users of financial statements to have reasonable assurance of the accuracy and completeness of the organizations financial statements.

Senior Managers:

For the purposes of the Policy on Financial Management, senior managers are typically division managers who report directly to the General Manager and are accountable for effective financial management within their areas of responsibility.

Roles & Responsibilities:

Explained in the Guidelines

Procedures:

N/A

Related Policies & Forms:

FIN-019 – Internal Controls

FIN-020 – Inventory Management

BRD-019 – Approval of Organizational Changes and Position Roles and Responsibilities