



Budget & Audit Process Policy

Purpose

This policy establishes criteria for the annual Budget & Audit Process. It strives to enhance practices that are already in place and benchmark best practices and good governance.

Responsibilities

The Responsibilities as identified for the Budget & Audit Committee (Committee) are as outlined in the AEDARSA Governance Manual section 3.5, and are as follows:

- Responsible for generally overseeing and ensuring the development of the annual budget.
- Reviewing revenue forecasts and expenditure plans presented by management.
- Making recommendations to the board for approval of annual budget.
- Monitoring actual revenues and expenditures against the budget forecast.
- Recommending to the Board any adjustments that it deems necessary.

Additionally as part of oversight of Financial Reporting the committee must review:

- The Financial Statements
- Management Discussions and Analysis to prepare the budget

Budget

Annual Budget deliberations generally occur in the final quarter of AEDARSA's financial year. The process is as follows:

- Management Presents and prepares Annual Budget for Committee Review
- Committee Recommends budget to Board for Approval Before Year End.

Auditor Selection & Review

An Auditor is selected by the Budget & Audit Committee, and recommended to the board. The Board then provides the recommendation of the auditor to the membership at each Annual General Meeting. Following Each Annual Audit process, but before each AGM, the committee Chair will review with the board and management their evaluation of the Auditor, so that issues can be addressed before the Audit is approved by the General Membership.

Audit

Annual Audit Plans shall generally be developed in the final quarter in AEDARSA's financial year.

Management should consider all timelines required and any requirements and approvals as required by both the Auditor, Management, Committee and Board to meet all deadlines in the Audit Process.

While the process can change slightly on an annual basis, Generalized best practices and steps for Audits should include the following:

1. Management will prepare its Audit plan with its selected Auditor.
2. Management will consult with the Committee as to any major audit concerns.
The Committee will determine the requirement to meeting in person, if required
The Committee may also determine, if it requires a pre-audit meeting with its selected Auditor.
3. The Auditor will complete its Audit with the Cooperation of Management.
4. The Auditor will review its findings with management.
5. The Auditor will provide its findings to Committee with Management present.
First, The Committee will meet to review audit findings with the Auditor and Management
Secondly, The Committee will meet to review audit findings with the Auditor only
The Committee will review the Audit findings and make Recommendation to the board. The Committee will also recommend, if a further written or verbal report should be required by the Auditor to the board for final approval. *If this decision is not unanimous, a verbal report by the Auditor to the board.
6. The Board will then review Committees recommendations and provide their final approval of the Annual Audited Financial Statements to the AGM and Memberships Approval.
7. The Auditor will attend all AGM's in person or by conference call.

This Policy Has been Approved by the AEDARSA Board of Directors.
It is also included as an Appendix in the AEDARSA Policy & Governance Manual.
Date: March 10, 2022
Version: 1

Gord Pattison, CEO, AEDARSA

Jamie Tiessen, Chair, AEDARSA Board of Directors