



Financial Policies & Internal Controls

Annually:

Audit is conducted annually. The Finance and Audit Committee may request specific areas of review during the audit process if so desired. An independent firm recommended through the F and A Committee to the Board of Directors for acceptance performs the audit. This appointment is ratified annually at the AGM as part of general business. The need for an audit RFP will be evaluated at least every four years by the F and A Committee. The selected external auditing firm conducts the audit in accordance with generally accepted auditing standards. Those standards require that the Auditors comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error.

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Signing authority with the Bank is reviewed and updated yearly following our AGM. Current guidelines are: for up to \$10K where the expenditure has been approved in the budget, or up to \$5K when the expenditure has not been approved in the budget the Executive Director together with either the Secretary or Treasurer. Amounts over the guidelines above the Executive Director with one Director (Board Member).

Capital and Operating budgets are prepared by Management annually for review by the Finance and Audit Committee. Budgets are presented to the Board for approval and monitored quarterly. Significant Items approved outside the budget process by the Board are reported monthly.

Salary reviews are conducted on an annual basis by the responsible manager and reviewed by the Executive Director with details provided to the Board of Directors. Approvals are communicated to the Director of Finance and Administration in writing for individual salary adjustments.

Conflict of Interest and Confidentiality Agreements are reviewed and signed annually by all staff. Board members are required to complete an Oath of Office and Confidentiality Agreement annually. Vendors entering into contracts with Ontario Equestrian (OE) are required to sign a Non-Disclosure Agreement.

Association Insurance is reviewed annually by the Executive Director. F and A Committee reviews insurance policy annually. The F and A Committee will assess the need to issue an insurance RFP at least every four years.

Expense policies are in place and circulated to all volunteers and staff. These are reviewed annually (bi-annually in the case of mileage) by the Executive Director with suggestions for change brought forward to the F and A Committee for discussion and then to the Board of Directors for approval. Expenses will only be paid where they are deemed eligible.

Monthly:

Bank Reconciliations are performed on a monthly basis by the Executive Director in conjunction with the preparation of the monthly Finance report.

General Journal entries are reviewed on a monthly basis by the Executive Director.

Corporate credit cards are issued at the discretion of the Executive Director. The credit limit with Visa is \$25,000 and is distributed between the staff cardholders. Balances are paid in full monthly by auto bank debit for Visa. Credit limits are established and managed electronically by the Executive Director. Each individual is provided with their statement monthly and it must be returned reconciled, with receipts – monthly statements are reviewed and signed by each immediate supervisor. All transactions must be accounted for.

Ongoing:

Employment Agreements are prepared and signed at commencement of employment, outlining employee policies, salary arrangements, termination rights and notification of Ontario Equestrians' adherence to the *Employment Standards Act*. A contract is on file and reviewed annually for the Executive Director role. Agreements for services are prepared on an as needed basis and reviewed as per term of agreement. A TD1 E (Personal Tax Credits Return) form is signed by each employee at the start of the New Year.

Vacation Policies are in place and communicated to staff at commencement of their employment. The immediate supervisor must approve all vacation requests. Executive Director maintains a vacation planner. Unused vacation can be carried over into the first 10 month of the next calendar year. If not used by December 31st, the days will be forfeited as per Vacation Policy – December 2015. Vacation Policies are in compliance with ESA.

Expense reports for staff are approved by their immediate supervisor, checked for accuracy in the accounting department and cheques are subject to signing authorities with the bank as noted above. All claimants must provide original receipts attached to a completed OE Expense Claim Form. No individual is reimbursed for expenses until the expense report has been reviewed and approved by the appropriate individual within the organization.

Expense reports for the Executive Director are approved by the President and reviewed by the Chair of the Finance and Audit Committee quarterly. Payment for expense claims require signatures of the

President and one signing officer other than the Executive Director and are subject to the signing authorities with the bank as described above.

All claimants must provide original receipts attached to a completed OE Expense Claim Form. No individual is reimbursed for expenses until the expense report has been reviewed and approved by the appropriate individual within the organization.

Petty Cash is maintained at a balance of \$300 and administered by Office Manager. The cash box is locked and kept in a secure area of the office. The account is reconciled regularly by the Finance Department and checked by the Executive Director prior to being replenished to the maintained balance.

Deposits are prepared by the Finance Department and reviewed by the Executive Director. Deposits are delivered to the bank by the Finance Department designate.

Invoices for payment are first approved by the department that incurred the expense. The Membership Coordinator then checks these invoices for accuracy. Prepared cheques are subject to the signing authorities with the bank as described above. The EFT payments are created using one of the two CIBC security tokens. The second CIBC security token is used by a different authorized signing officer to approve the online payment. The tokens are held by two different individuals and no online payment can be made without a second approval.

Volunteer expense claims are first directed to the appropriate department head for approval. Claims are then checked by the Finance Department for accuracy and to ensure policies are being adhered to. Prepared cheques are subject to the signing authorities with the bank as described above.

Movement of funds between our Investments and General Accounts has restricted access held by the Finance and Audit Committee and is password protected.

Payroll is administered by the Finance Department with Ceridian. Payroll is reconciled monthly with the bank statement and verified annually through the audit process. The Executive Director reviews and initials the payroll reconciliation quarterly.

Accounts payable journals are processed by the Member Services Coordinator, approved by the Executive Director and reviewed by the second signing authority as they are processed.

Accounts Receivable journals are processed by the Finance Department and are reviewed by the Executive Director on a monthly basis.

