

| | |
|--------------------------------|-----------------------------------|
| POLICY NUMBER: | ARG-029 |
| POLICY SUBJECT: | FINANCIAL REPORTING POLICY |
| DEPARTMENT: | CORPORATE SERVICES |
| EFFECTIVE DATE: | JULY 10, 2023 |
| INITIAL EFFECTIVE DATE: | SEPTEMBER 28, 2020 |
| REVISION DATE (s): | |

PURPOSE

To outline the Town of Coaldale's policy in regard to how the organization accounts for financial resources and accountability for the communication of financial information. This policy will be used to establish standards that promote the reliability of the financial information provided by the entity and provide guidance to accounting and audit processes.

SCOPE

This policy covers accounting and financial reporting for all facets of the Town's operation.

OBJECTIVES

- Determine standards for financial reporting
- Determine standards for the selection of a municipal auditor and provide guidance to the audit process
- To establish Council as the audit committee for the municipality
- To determine authority for the establishment of financial policy and procedures
- To outline reporting required by the municipality

STATEMENT

The accounting standards and the financial reporting provided by a municipality create accountability and transparency for the organization. Reliance placed on standards and reporting is an important trust to be maintained and monitored through ongoing compliance and improvement of processes.

STANDARDS

As required by the Municipal Government Act, Annual Financial Statements will be prepared by the municipality in accordance with Canadian Generally Accepted Accounting Principles for municipal governments, which are the standards approved by the Public Sector Accounting

Board included in the CPA Canada Public Sector Accounting Handbook published by the Chartered Professional Accountants of Canada and any modification of the principles or any supplementary accounting standards or principles established by the Minister of Municipal Affairs by regulation.

The financial statements, Financial Information Returns and Statistical Information Returns required by the Minister shall be submitted to the province in a timely manner in accordance with dates determined from time to time by the Minister of Municipal Affairs.

The Council of the Town of Coaldale shall appoint an auditor for the municipality. Auditor selection shall be based on the following criteria:

- An accountant with a designation
- An individual or firm possessing demonstrated experience and skill in government accounting and auditing.
- An individual or firm proven to have sufficient resources to complete the audit in a timely fashion
- An individual or firm maintaining reasonable rates for the service, although price will not be the only determination of suitability.
- An individual or firm fully independent from the municipal organization

The Council of the Town of Coaldale shall receive an annual report from the auditor on the annual financial statements and financial information return of the municipality. The report must be in accordance with the form and reporting standards recommended from time to time by the Canadian Institute of Chartered Accountants, and any modification of the form or standards or any supplementary form or standard established by the Minister of Municipal Affairs by regulation.

The Council of the Town of Coaldale shall receive a separate report from the auditor of any improper or unauthorized transaction or non-compliance with the Municipal Government Act or another enactment or any bylaw noted during the course of the audit.

The Council of the Town of Coaldale shall assume the duties of an audit committee for the municipality.

The Town of Coaldale shall maintain formalized policy and procedures guiding the financial processes of the organization. Policy shall be determined by Council. Financial Services shall be given authority to determine procedures, accounting thresholds and estimates that fulfill the policies determined by Council. All procedures, thresholds and estimates shall be in compliance with Public Sector Accounting Standards as determined by the Chartered Professional

Accountants of Canada.

The Town of Coaldale shall select and maintain an accounting system adequate to provide all of the data needed to facilitate the timely preparation of annual financial statements as well as interim reporting as required.

Financial Services shall provide the following reports to Council as a minimum requirement:

- Quarterly Reports
- Third Quarter Forecast
- Annual Financial Statements
- Financial Information Return
- Statistical Information Return
- Annual Report
- Trend Report
- Any other reports requested by Council
- Any other reports requested by the Province of Alberta and/or Government of Canada

POLICY REVIEW

This policy shall be reviewed every four years with any changes being recommended to Council for approval.