



Effective Date: June 12, 2018

FINANCIAL REPORTING

Definitions

- The following definitions apply to this Policy:
 - Entity** - a corporation, partnership, joint venture or any other unincorporated association or organization, the financial transactions of which are consolidated in Cowichan Tribes' annual financial statements;
 - First Nations Finance Authority (FNFA)** - a voluntary not-for-profit organization whose purpose is to provide low-rate loans, investment options, and capital planning advice to First Nations in Canada;
 - Fraudulent Financial Reporting** - an intentional act in financial reporting that is designed to deceive users of financial reports and that may result in a material omission from or misstatement of financial reports;
 - Local Revenues** - money raised by Cowichan Tribes under a local revenue law by Cowichan Tribes under the *First Nations Fiscal Management Act*;
 - Other Revenues** - other revenues as per section 3 of the *Financing Secured by Other Revenues Regulations* made under the *First Nations Fiscal Management Act*;
 - Remuneration** - refers to any monetary or non-monetary benefits;
- Please refer to Cowichan Tribes' "Definitions Guide for Policies and Procedures" for the definitions of other terms used in this Policy and the associated procedures.

Policy Directive:

Cowichan Tribes shall provide complete, accurate, and timely financial reporting for all of its operations on a regular basis, as per all pertinent requirements.

Related Cowichan Teaching

"Be honest and truthful in all you do and say"

Applicable Legislation and Standards

- Cowichan Tribes' financial planning and budgeting related practices must comply with applicable legislation and standards, and Cowichan Tribes' laws, policies and procedures, including:
 - The *First Nations Fiscal Management Act* (the Act);
 - Cowichan Tribes First Nation Financial Administration Law (the FAL);
 - First Nations Financial Management Boards (FNFMB) Standards; and
 - Public Sector Accounting Standards (PSAS) of the Canadian Public Sector Accounting Board.



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Reason for Policy

4. The objectives of this Policy include:
 - i) Establishing financial reporting guidelines, requirements, and practices to facilitate the preparation and reporting of timely, accurate, and relevant financial information by Cowichan Tribes on which to assess performance and progress toward goals;
 - ii) Ensuring Cowichan Tribes effectively satisfies all legitimate financial reporting requirements resulting from internal control, governance and management, statute or regulation, and agreements with governments, business partners, or other third parties, in a complete, accurate and timely manner; and
 - iii) Ensuring Cowichan Tribes' financial reporting practices comply with all applicable requirements.

Consequences of Non-Compliance with Policy

5. Potential consequences of non-compliance with this Policy include:
 - i) Lack of directions and clarity respecting financial reporting requirements;
 - ii) Inability to satisfy financial reporting requirements, and any funding or cost-sharing agreements under which Cowichan Tribes is obligated to provide financial reporting;
 - iii) Lack of timely, accurate and relevant financial information for assessing performance and progress towards goals;
 - iv) Financial reporting risks, and risks to the accountability, transparency, and financial management of Cowichan Tribes; and
 - v) Breach of applicable legislation, standards, or Cowichan Tribes' laws, policies and procedures.

Policy Application

6. This Policy applies to or affects Cowichan Tribes':
 - i) Chief and Council;
 - ii) Finance and Audit Committee;
 - iii) General Manager, Comptroller, and other department managers; and
 - iv) Any other employee, committee, or any other person(s) involved with respect to financial accounting or financial reporting for, or on behalf of, Cowichan Tribes.
7. This Policy also applies to all financial operations and activities of Cowichan Tribes, including operations and activities controlled by Cowichan Tribes.

Policy Requirements

General

8. All accounting and reporting practices of Cowichan Tribes must comply with PSAS.



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9. All financial reporting and financial statements of Cowichan Tribes shall be based on the respective fiscal year, or for a specified period within the respective fiscal year.
10. Cowichan Tribes shall maintain financial reporting processes and systems that provide financial information and reports in a complete, accurate and timely manner.
11. Cowichan Tribes' internal financial reports shall provide its management staff with a full range of information to provide a basis for informed decision making with respect to Cowichan Tribes' financial position, and for promoting efficient operations.
12. External financial reports shall be prepared by Cowichan Tribes with content that portrays its financial activities in a clear, comprehensive, and accountable manner.
13. Cowichan Tribes shall have an effective computerized financial information system in place with ample capacity to support all financial reporting requirements and shall include controls to ensure the information is complete, accurate, authorized, and available in a timely manner in the required format(s).
14. Changes to Cowichan Tribes' accounting and financial reporting computerized systems require prior consultation and approval of the Comptroller before they are implemented.

Financial Reports and Timelines

15. Cowichan Tribes shall establish a financial reports list of all required financial reports, related timelines, and the persons responsible for preparing them.
16. Monthly financial information reports and quarterly financial statements must be prepared for each month and quarter, respectively, of the fiscal year, and shall summarize Cowichan Tribes' financial activity for each month and quarter of that fiscal year.
17. Annual financial statements must be prepared for each fiscal year and shall summarize Cowichan Tribes' financial activity for each respective fiscal year as per PSAS.
18. The annual financial statements must be audited by an independent auditor.
19. Local revenues, and for-profit activities, must be accounted and reported on separately from the other respective monies and activities of Cowichan Tribes.
20. Cowichan Tribes must prepare and publish an annual report that summarizes operational and financial performance.
21. All debt obligations and the related requirements must be reported by Cowichan Tribes in accordance with the respective agreement.
22. Cowichan Tribes must prepare a capital projects report for each capital project.
23. Cowichan Tribes must prepare various special purpose reports, including a report on remuneration and expenses for each councillor.



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24. All required financial reports must be completed within the timelines specified in the Financial Reports List for Cowichan Tribes.
25. Financial reporting risks, including any fraudulent financial reporting or misappropriation of assets shall be identified, recorded, and mitigated in a cost-effective manner.
26. Members of Cowichan Tribes shall have access to the published audited annual financial statements, special purpose reports, the auditor's report, and the annual report.

Review and Approvals

27. The annual financial statements require the review, consideration and written approval of Council after taking into account any related recommendations from the Finance and Audit Committee.



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Procedures: Financial Reporting

Roles and Responsibilities

28. The responsibilities of Council include:
 - i) Reviewing and, if appropriate, approving the Financial Reports List; and
 - ii) Reviewing, considering, and, if appropriate, approving Cowichan Tribes' monthly financial information and quarterly and annual financial statements in a timely manner, as applicable, after considering any related recommendations from the Finance and Audit Committee.
29. The responsibilities of the Finance and Audit Committee include:
 - i) Reviewing, monitoring, and reporting to Council on the appropriateness of Cowichan Tribes' accounting and financial reporting systems, policies and procedures, and recommending for approval, any proposed significant changes in those accounting or financial reporting systems, policies or procedures;
 - ii) Reviewing and determining the Financial Reports Lists, the required format and content for each report, and frequency of reporting for Cowichan Tribes;
 - iii) Reviewing the monthly financial information, quarterly and annual financial statements, special purpose reports, and the General Manager's recommendations and, if appropriate, recommending the financial information, statements, and reports to Council, in a timely manner;
 - iv) Reviewing and reporting to Council on the financial content of any Cowichan Tribes' reports; and
 - v) Monitoring financial reporting risks and the effectiveness of mitigating controls for those risks taking into consideration the cost of implementing the controls.
30. The responsibilities of the General Manager include:
 - i) Reviewing the financial information, statements and reports and making appropriate recommendations to the Finance and Audit Committee;
 - ii) Identifying, assessing, monitoring and reporting on financial reporting risks to the Finance and Audit Committee, and on the effectiveness of mitigating controls for those risks taking into consideration the cost of implementing those controls; and
 - iii) Periodically reviewing this Policy and Procedures in consultation with the Comptroller and other pertinent staff as appropriate and recommending any updates to the Finance and Audit Committee.
31. The responsibilities of the Comptroller include:
 - i) Preparing and updating the Financial Reports List;
 - ii) Administering and supervising the preparation and maintenance of financial records, and Cowichan Tribes' financial administration reporting systems;



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Monthly Financial Information

38. At each month-end, the Comptroller must prepare year-to-date financial information respecting the financial affairs of Cowichan Tribes in the form and with the content approved by Council on the recommendation of the Finance and Audit Committee.
39. The Comptroller must provide the monthly financial information to Council and the Finance and Audit Committee not more than forty-five (45) calendar days following the end of the month for which the information was prepared.
40. The Finance and Audit Committee and Council must review and consider the monthly financial information in a timely manner after receiving it from the Comptroller.

Quarterly Financial Statements

41. At the end of each quarter of the fiscal year the Comptroller must prepare year-to-date financial statements for Cowichan Tribes for that quarter in the form and with the content approved by Council on the recommendation of the Finance and Audit Committee.
42. The Comptroller must provide the quarterly financial statements to Council and the Finance and Audit Committee not more than forty-five (45) calendar days after the end of the quarter of the fiscal year for which they were prepared.
43. Cowichan Tribes' quarterly financial statements shall include the following for Cowichan Tribes' and all its related bodies:
 - i) A statement of revenue and expenditures, containing comparisons to annual budget;
 - ii) Financial information respecting local revenues as required by the FAL;
 - iii) Financial information respecting "other revenues" if Cowichan Tribes has borrowed money from the FNFA secured by other revenues;
 - iv) Breakdown of revenue by categories contained in Cowichan Tribes' land code, if a land code is in force; and
 - v) Any other information requested by Council or the Finance and Audit Committee, or identified on the Financial Reports List.
44. The Finance and Audit Committee and Council must review and consider the quarterly financial statements in a timely manner after receiving them from the Comptroller.

Annual Financial Statements

45. At the end of each fiscal year the Comptroller must prepare draft annual financial statements of Cowichan Tribes for that fiscal year in accordance with the FAL, FNFMB Standards and PSAS. The draft annual financial statements must include:
 - i) The financial information for Cowichan Tribes and its related bodies for the fiscal year; and
 - ii) The revenue categories of moneys derived from Cowichan Tribes' lands.
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46. The Comptroller must provide the draft annual financial statements to the Finance and Audit Committee for review within a reasonable period of time following the end of the fiscal year for which they were prepared.
47. The Finance and Audit Committee must present the draft annual financial statements and its comments and recommendations to Council for review within a reasonable period of time following the end of the fiscal year for which they were prepared.
48. Council shall review the annual financial statements, and the related comments and recommendation(s) of the Finance and Audit Committee and General Manager, and approve the annual financial statements within one hundred and twenty (120) calendar days following the end of the fiscal year for which they were prepared.

Separate Accounting and Reporting of Local Revenues

49. The Comptroller must account for and report on the local revenues of Cowichan Tribes separately from other moneys of Cowichan Tribes as per the FAL and the FNFMB's Financial Reporting Standards for Local Revenues. This requires the preparation of a separate annual financial report/statement on Cowichan Tribes' local revenues.
50. If Cowichan Tribes has a loan from the FNFA that is secured by other revenues, the Comptroller must:
 - i) Account for all other revenues of Cowichan Tribes separately from other moneys of Cowichan Tribes; and
 - ii) Provide the FNFA or the FNFMB, on their request, with accounting information respecting other revenues as soon as practicable after receiving a request to do so.

Audit Requirements

51. The annual financial statements of Cowichan Tribes must be audited by an auditor appointed by Council, as per Cowichan Tribes' Audit Policy and Procedures.

Capital Projects Report

52. At each Finance and Audit Committee meeting, the General Manager must report on the following subjects:
 - i) Year to date borrowings, loans and payments in respect of each capital project; and
 - ii) The status of each capital project including:
 - a) A comparison of expenditures to date with the project budget,
 - b) A detailed description of any identified legal, financial, technical, scheduling or other problems, and
 - c) The manner in which a problem identified in paragraph (b) above has been or will be addressed.



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Debt Reporting

53. Cowichan Tribes shall report all debt obligations in accordance with:
- i) Cowichan Tribes' Debt Management Policy and Procedures; and
 - ii) Any agreements under which the debt obligations were incurred.

Special Purpose Reports

54. The Comptroller must prepare the following special purpose reports on an annual basis for each fiscal year, unless indicated otherwise:
- i) A report setting out all payments made to honour guarantees and indemnities;
 - ii) A report setting out the information required for the reporting of councillor remuneration and expenses as per the FAL;
 - iii) A report setting out all debts or obligations forgiven by Cowichan Tribes;
 - iv) If a Cowichan Tribes has a land code in force, a report setting out moneys of Cowichan Tribes derived from Cowichan Tribes' lands, categorized and shown separately from other revenues and that includes a sub-category respecting revenues from natural resources obtained from Cowichan Tribes' lands; and
 - v) Any other report required under the FAL or an agreement.

Reporting of Councillor Remuneration and Expenses

55. Subject to the section below, the Comptroller must annually prepare a special purpose report separately listing the remuneration paid and expenses reimbursed by Cowichan Tribes, and by any entity, to each councillor, whether such amounts are paid to the councillor while acting in that capacity or in any other capacity.
56. The section above does not require the reporting of remuneration, expenses or benefits received:
- i) In common by all members of Cowichan Tribes;
 - ii) Under a program or service universally accessible to all members of Cowichan Tribes on published terms or conditions; or
 - iii) From a trust arrangement according to the terms of the trust.
57. The Comptroller shall submit the special purpose report on remuneration and expenses to the Finance and Audit Committee in a timely manner after the end of each fiscal year.
58. The Finance and Audit Committee must review the special purpose report on remuneration and expenses and provide their recommendations to Council as soon as practicably possible after receiving this report from the Comptroller.
59. The special purpose report on remuneration and expenses must be made available to the members of Cowichan Tribes.



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Annual Report

60. Council must prepare and publish an annual report, as per Cowichan Tribes' Annual Report Policy and Procedures.

Financial Reporting Risks

61. Cowichan Tribes shall identify, document, assess, report, and mitigate any financial reporting risks, as well as any incidences of fraudulent financial reporting or misappropriation of assets that may result in a material omission from or misstatement of Cowichan Tribes' financial reports.
62. A financial reporting risk includes any activities that could result in risk of:
 - i) A material misstatement in information in Cowichan Tribes' annual financial statements;
 - ii) Failure to meet Cowichan Tribes' obligations; and
 - iii) Failure to achieve planned levels of financial performance for Cowichan Tribes.
63. The General Manager shall establish and document controls that mitigate or manage financial reporting risks.

Access to Reports / Accounting and Reporting Technology

64. Access by members to Cowichan Tribes' audited annual financial statements, special purpose reports, the auditor's report, and the annual report shall be provided in accordance with Cowichan Tribes' Audit Policy and Procedures, and Annual Report Policy and Procedures, as applicable.
65. Any proposed changes to Cowichan Tribes' established accounting and financial reporting software (i.e. new system or major changes to the current system) require prior written authorization from the Comptroller.
66. Changes such as the addition/deletion/ modification of general ledger accounts, customer/member accounts, or vendor accounts require the prior approval of the Comptroller or designate.

Records Management

67. The review and consideration of the monthly financial information and the quarterly and annual financial statements by the Finance and Audit Committee and Council, any related recommendations and comments, and Council's approval of the quarterly and annual financial statements, shall be duly recorded in the respective meeting minutes.
68. Cowichan Tribes shall keep a file for each annual financial statement which contains all the pertinent records regarding the respective annual financial statement.



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69. Unless otherwise specified by a Cowichan Tribes' law or policy, Cowichan Tribes shall ensure that proper and complete records respecting its financial reporting are kept and retained in a secure and confidential manner for at least seven (7) years, in accordance with Cowichan Tribes' Financial Records Management Policy and Procedures, and Records and Information Management Policy and Procedures, including records and documents relating to:
- i) All financial reports and statements prepared by or on behalf of Cowichan Tribes, including the special purpose reports, and any accompanying information;
 - ii) The review and consideration of financial reports and statements by the Finance and Audit Committee and Council, and their approval by Council; and
 - iii) Cowichan Tribes' local revenues, other revenues and for-profit activities.

Related Cowichan Tribes' Policies

- Annual Report Policy and Procedures;
- Audit Policy and Procedures;
- Financial Records Management Policy and Procedures;
- Records and Information Management Policy and Procedures;
- Risk Management Policy and Procedures;



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Appendix A: Financial Reports List

Financial Reports	Person(s) Responsible	Timeline for Report Preparation	Report to be Provided to
1. Monthly Financial Information	Comptroller	- Not more than forty-five (45) calendar days after the end of each month.	Council and Finance & Audit Committee
2. Quarterly Financial Statements	Comptroller	- Not more than forty-five (45) calendar days after the end of each quarter of the fiscal year.	Council and Finance & Audit Committee
3. Annual Financial Statements	Comptroller	- Not more than one-hundred and twenty (120) calendar days after the end of the fiscal year for which they were prepared. <i>However</i> , the statements shall be first provided to the Finance and Audit Committee with sufficient time to allow for their review prior to the 120 day deadline for submitting the statements to Council.	Council and Finance & Audit Committee
4. Annual Report	General Manager & Comptroller	- Not later than one-hundred and eighty (180) calendar days after the end of each fiscal year.	Council and Finance & Audit Committee
5. Capital Projects	General Manager	- At each meeting of the Finance and Audit Committee.	Council and Finance & Audit Committee
6. Remuneration and Expenses	Comptroller	- Not more than one-hundred and twenty (120) calendar days after the end of the fiscal year for which they were prepared.	Council and Finance & Audit Committee
7. Special Purpose Reports	Comptroller	- Not more than one-hundred and twenty (120) calendar days after the end of the fiscal year for which they were prepared.	Council and Finance & Audit Committee