

Annual Financial Cycle Policy

STATEMENT of POLICY			
Manual:	Financial Policies Manual	Policy No.	FIN-002
Section:	Governance Finance Policies	Issued:	2026-02-23
Subject:	Annual Financial Cycle Policy	Effective:	2026-02-23
Approved by:	The Provincial Métis Council (PMC)	Page:	1 of 7
		Replaces:	N/A

1.0 Policy Statement

- 1.1 The Métis Nation – Saskatchewan (MN-S) will prepare budgets to ensure resources are used transparently and accountably, supporting the achievement of strategic goals and meeting the needs of its Citizens. To further demonstrate its commitment to financial accountability, MN-S will engage an external auditor to conduct an annual audit of its financial statements.

2.0 Scope

- 2.1 The Annual Financial Cycle Policy applies to:
- All MN-S employees and any other persons who conduct business on behalf of the MN-S; and,
 - All departments, ministries, and personnel responsible for preparing, reviewing, approving, and monitoring the MN-S budget, as well as those involved in financial reporting, year-end close processes, and external audit activities.

3.0 Purpose

- 3.1 The Financial Cycle Policy outlines the principles for preparing, reviewing, approving, and monitoring the annual operating and capital budgets of the MN-S. It also provides guidance on the appointment of the external auditor and setting their remuneration, establishes a structured approach for accurate and compliant year-end financial reporting, and assists in preparing for the external audit.

4.0 Definitions

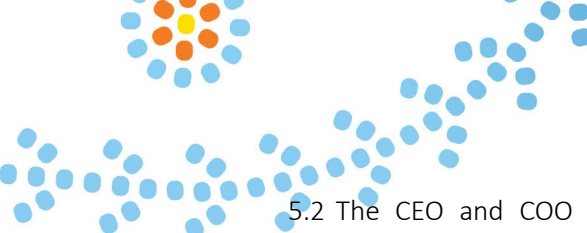
- 4.1 **Audit Readiness** is the state of being prepared for an external audit, including having all relevant financial documentation properly organized and readily accessible.
- 4.2 **Audit Report** is the External Auditor's opinion on whether the financial statements present, in all material respects, the financial position of the MN-S.

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- 4.3 **Capital asset** is any asset with an initial useful life extending beyond one year that is not held for sale or used in the ordinary course of operations. Capital assets include land, buildings, furniture, vehicles, equipment, artistry, office and computer equipment.
- 4.4 **Capital budget** is an estimate of the costs for the acquisition or maintenance of capital assets for a specific period of time.
- 4.5 **Engagement letter** is a written communication from the external auditor outlining the terms and conditions of the audit engagement and may include a letter to management reporting on audit findings.
- 4.6 **Fiscal year** shall begin on April 1st of each year and end on March 31st of the following year.
- 4.7 **Funding agreement** is any legal agreement between the MN-S and a funding agency such as the federal government or its ministries, departments and agencies. Agreements may include, but are not limited to, contribution agreements, comprehensive funding agreements and grant agreements.
- 4.8 **Non-budgeted expenses** are items that have not been identified in the current operating or capital budgets such as salary changes, purchases of furniture or equipment, or shifting funds across major categories.
- 4.9 **Operating budget** is the forecast of planned revenues and expenditures for MN-S for a specific period of time.
- 4.10 **Qualified External Auditor** is a member in good standing of a recognized accounting body.
- 4.11 **Revenue Share** is the splitting of the funding agreement amount with another department for the purpose of running a project. Control of the funds is the responsibility of the department receiving the funds.
- 4.12 **Significant Change** is an amount exceeding the approval of the Finance Committee as established in the Financial Delegation of Authority Policy.
- 4.13 **Transfer for Service** is the transfer of budgeted funds between a project and an internal department for internal services as an expense to the project.
- 4.14 **Year-end Close** is the process of finalizing financial records and reporting for the end of the fiscal year, ensuring that all financial transactions are accounted for before the new fiscal year begins.

Policy Requirements

5.0 Budget Preparation and Approval

- 5.1 The MN-S will operate within a framework that estimated expenses cannot exceed estimated revenues unless the anticipated deficit has been approved by the appropriate authority in accordance with the Financial Delegation of Authority Policy.



5.2 The CEO and COO are responsible to the Finance Committee for the preparation and presentation of the budget and is accountable to the PMC for the management of MN-S' financial resources.

5.3 The budget development process will be coordinated under the direction of the COO.

5.4 The draft budgets for the MN-S Departments will go through iterations of review and revision, as outlined by the COO, to reach the commonly accepted state before presentation to the PMC.

5.5 Only the PMC has the authority to approve budgets for the MN-S.

5.6 Budgets will be prepared annually in accordance with MN-S' fiscal year and will:

- Contain sufficient detail to demonstrate accurate revenue and expense projections;
- Separate capital and operational items;
- Indicate planning assumptions;
- Plan for the expenditure of no more funds than are conservatively projected to be received in the fiscal year; and
- Be in alignment with PMC's stated priorities.
- Be based on a operational plan and workplan that is approved by the relevant Deputy Chief and the COO/CEO.

6.0 Budget Revisions

6.1 Significant Changes to MN-S budgets require approval from the PMC.

6.2 Repurposing or changing the use of budgeted funds that are subject to funding restrictions requires the approval of the related funding agency and the CEO and COO prior to the repurposing or change of use.

6.3 Transfer for Service budgeted funds between Departments requires the approval of the CEO and COO. Significant Changes to previously indicated transfers amounts also require the approval of both Departments in accordance with the Delegation of Authority Policy and Procedures.

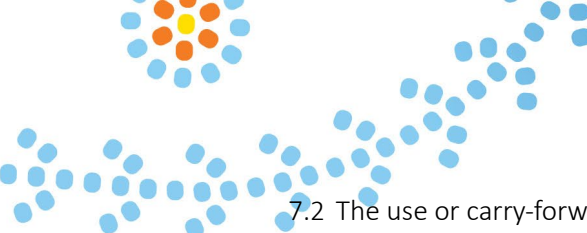
6.4 All Revenue Sharing Budgeted Funds between Departments requires the approval of the CEO and COO.

6.5 Repurposing or changing the use of budgeted funds within a Department that are not subject to funding restrictions requires the approval of the COO and CEO prior to the repurposing or change of use.

6.6 If repurposing or changing the use of budgeted funds results in an increase in total budgeted expenditures for a Department or MN-S as a whole, the request for repurposing or changing the use of funds also requires the necessary approvals in accordance with the Delegation of Authority Policy.

7.0 Budget Surplus or Deficit

7.1 The balance of an approved program budget that remains unexpended at the end of that fiscal year shall remain unexpended and be deferred to the next fiscal year with the approval of the PMC.



7.2 The use or carry-forward of all budget surpluses from funding or granting agencies are subject to approval by the respective funding or granting agency.

7.3 The financial status of MN-S shall not exceed a deficit position of five percent (5%) total annual budget without authorization of the PMC.

8.0 Non-Budgeted Requests

8.1 All non-budgeted expenses shall be approved in accordance with the Delegation of Authority Policy prior to the expenditures being made. Once approval is obtained from the COO and the CEO, the funding source for the specified program shall be approached for authorization.

8.2 Under no circumstances shall any commitments be entered into, or arrangements made until approval is received from the COO and the CEO and authorization in writing is obtained from the funding source.

8.3 All budget adjustments must be documented and included in the next quarterly budget report to the Finance Committee.

9.0 Capital Budgets

9.1 Director of Finance, in consultation with department heads and program managers, will develop a draft MN-S' annual capital budget, taking into account:

- Distinction based priorities
- Available funding sources (internal or external)
- Operating impacts (e.g., maintenance, staffing, or utility costs)
- Cash flow requirements and financing options (if applicable)

9.2 The draft capital budget for each department will be reviewed and approved by the relevant Director, Deputy Chief, and the COO/CEO.

9.3 MN-S will actively pursue external funding opportunities, such as grants, loans, or partnerships, to support capital projects. Any external funding arrangement must be reviewed and approved in accordance with the Delegation of Authority Policy.

9.4 The Department of Finance will prepare a draft consolidated capital budget that will be reviewed by the COO, CEO, Minister of Finance, and Finance Committee (in that order) and the final consolidated capital budget will be approved by the PMC.


9.5 Any capital expenditure or project not included in the approved budget but deemed necessary during the fiscal year must be presented to the PMC for supplemental approval.

10.0 Budget Monitoring and Reporting

10.1 The MN-S will regularly monitor and report to the Financial Committee on actual financial performance against the approved budget.

10.2 The COO will be responsible for developing and implementing the budget monitoring and reporting process.

10.3 Expenditures must be funded by available funds within the approved budget and every time goods and services are ordered, budget availability must be confirmed.



10.4 Financial commitments shall not be entered into unless there are available balances remaining within the budget that are sufficient to provide for the subsequent expenditure or activities.

11.0 Appointment and Remuneration of the External Auditor

11.1 The PMC shall appoint a qualified external auditor to conduct an annual audit of the accounts of the MN-S with the audit report being available no later than Sep 30th of the following fiscal year.

11.2 When the PMC has decided on which external auditor to engage, the external auditor will prepare a “Letter of Engagement” in accordance with Canadian Auditing Standards (CAS). This letter will document audit requirements for the MN-S, the PMC’s commitments to the external auditor and the commitments of the external auditor to the PMC. This will be completed as early as possible each year.

11.3 The PMC, in an officially convened meeting, will approve the remuneration for the services of the external auditor and record it in the meeting minutes.

11.4 The external auditor will be accountable to the PMC and will continue to serve in this role unless otherwise notified.

11.5 The PMC will perform an annual evaluation of the external auditor's performance during a duly convened meeting, and the results will be documented in the official meeting minutes.

11.6 The PMC will conduct a more comprehensive evaluation of the external auditor's performance at least every five years, possibly more frequently, if circumstances change. This thorough assessment will encompass the following aspects:

- The external auditor's independence, objectivity, and overall professional skepticism demonstrated during the audit process.
- The competence and knowledge of the audit engagement team concerning MN-S and its businesses.
- The quality of all communications and interactions with the external auditor, including clarity and conciseness.

12.0 Audit Execution


12.1 The financial statement audit of the MN-S will adhere to Canadian Auditing Standards (CAS). It will encompass a review of the adequacy of the accounting procedures and control systems in place, aimed at safeguarding MN-S assets.

12.2 The scope of the external audit will encompass all transactions carried out by the MN-S.

12.3 The external audit will be completed within a reasonable period of time following the Q4 March 31st year-end.

12.4 The external auditor shall be granted access to all books, records, accounts, and vouchers of the MN-S including the minutes of PMC meetings.

12.5 In the event of non-compliance, hindrance, or refusal by any person to assist the external auditor in fulfilling their duties, the external auditor shall promptly report such circumstances



to the Chief Operating Officer (COO), Chief Executive Officer (CEO), Finance Committee or PMC, as deemed appropriate.

12.6 The CEO and COO will ensure that, prior to finalizing the audit, the PMC receives a letter from the external auditor, confirming their continued independence.

13.0 Financial Statements

13.1 The external auditor will present audited financial statements that include:

- Independent Auditor's Report
- Statement of Financial Position
- Statement of Changes in Fund Balances
- Statement of Operations
- Statement of Cash Flows
- Notes to Financial Statements
- Separate schedules as required.

13.2 Financial statements must be approved in accordance with the Delegation of Authority Policy.

13.3 Financial statements will be reviewed by the Director of Finance, COO, CEO, Minister of Finance, and Finance Committee prior to approval.

13.4 Financial statements will be presented to the PMC for approval, followed by ratification by the Métis Nation Legislative Assembly.

14.0 Year-End Preparation

14.1 All supervisory and management personnel shall be familiar with year-end preparation requirements and work cooperatively with the Director of Finance or designate to prepare the necessary year end documentation and meet the requirements of individual program contracts.

14.2 To reduce and/or minimize audit costs, staff of the MN-S will:

- Ensure all records are properly completed and balanced;
- Ensure the Auditor has access to all required records at the time of the audit;
- File supporting documents neatly and in logical order;
- Complete bank reconciliation statements regularly/monthly;
- Prepare working papers, such as accounts receivable and accounts payable lists and draft financial statements in proper form, to reduce the Auditor's time and charges;
- Ensure that the MN-S financial transactions are properly recorded and books balanced.

14.3 Wherever possible, staff of the MN-S will provide the external auditor with additional information including monthly General Ledger trial balances, monthly revenue and expenditures statements, a listing of all miscellaneous expenditures and year-end worksheets.

15.0 Authority

15.1 This policy is strictly enforced by the Provincial Métis Council (PMC) of the MN-S. All employees and representatives must adhere to the guidelines outlined herein. Non-compliance shall result



in disciplinary action or withholding of reimbursement, as deemed appropriate by the government.

15.2 This policy will undergo review annually, or earlier if identified as necessary. Any updates, changes, revisions, or additions must be approved by the PMC.

Other Information

Attachments / Appendices

References

- Delegation of Authority Policy

Original Approval Date	Approved By
2026-02-23	Provincial Métis Council

Revision Date	Nature of Revision	Approved By	Effective Date

