

Financial Partners Audit Requirements

BUDGET, GOVERNANCE AND
INTERGOVERNMENTAL RELATIONS
COUNCIL COMMITTEE

SEPTEMBER 2, 2025

Financial Partners Funding Policy Review

Council Priority Alignment

- ◀ Well Managed Government

Purpose

- ◀ Recommendations for Financial Partner Policy updates

Action

- ◀ Vote to propose updated audit requirement language within the Financial Partner Policy to full council for adoption

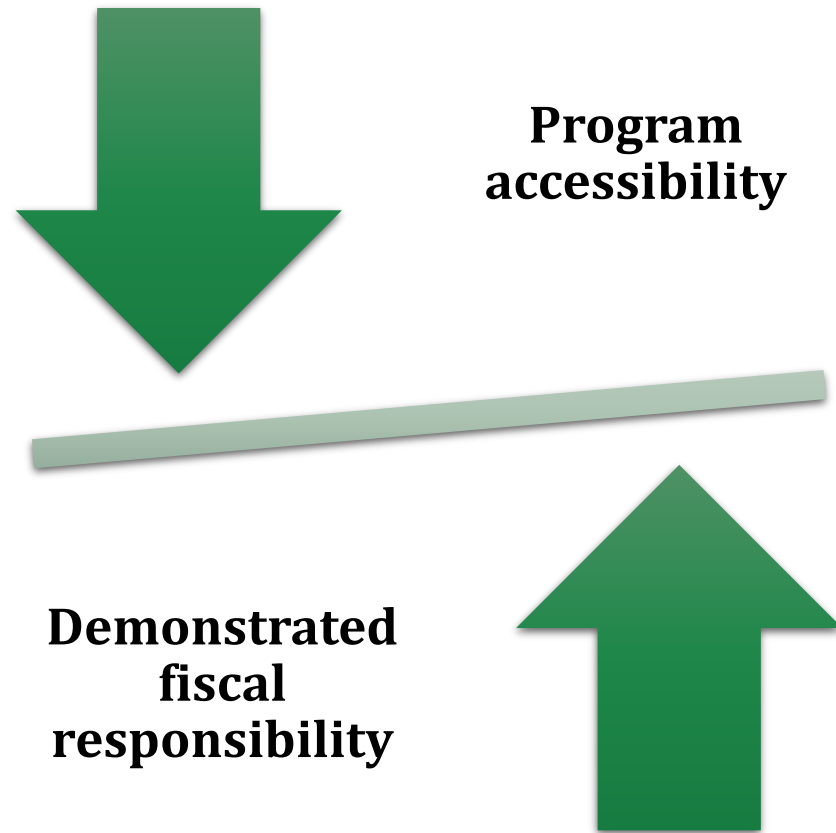
Agenda

- ◁ Review current policy language
- ◁ Review various financial reporting options
- ◁ Recommendations on updates for consideration

Current Policy Language

- ◀ **Partner organizations with gross receipts greater than \$100,000 require a financial audit completed by a Certified Public Account (CPA), under \$100,000 will require 2-year comparative financial statements that include:**
 - Statement of cash flows
 - Profit and loss statement
 - Balance sheet
- ◀ **All current partners meet threshold for a full financial audit**

Audit Policy Challenges



- ◁ Full financial audits are costly
- ◁ Limited CPA availability
- ◁ Creates financial burden for smaller organizations

Program Discussion Topics

◁ **Full financial audit**



Extensive testing and verification of transactions

◁ Independent review



Comprehensive examination of financial statements

◁ Comparative review



Thorough and time-consuming

Program Discussion Topics

◁ Full financial audit



Verifies accuracy of financial statements

◁ **Independent review**



Can be completed by CPA or Accountant

◁ Compilation review



Cost effective

Program Discussion Topics

◁ Full financial audit



2-year comparison of key financial statements

◁ Independent review



Can be compiled by a bookkeeper

◁ **Compilation review**



Lowest cost

Impact



10 current partners can shift to independent review



All awarded \$100,000 or less

Proposed New Policy Language

◀ Partner organizations will be required to provide financial statements in accordance with the following guidelines:

- Organizations with gross receipts greater than \$500,000 require a full financial audit completed by a Certified Public Account (CPA)
- Organizations with gross receipts of \$100,000 up to \$500,000 require an Independent Financial Review completed by a Certified Public Accountant or Accounting professional
- Organizations with gross receipts less than \$100,000 require 2-year comparative financial statements that including; 1. statement of cash flows, 2. profit and loss statements, and 3. balance sheet

Thank You