

# CERC Risk Management Practices

This document describes financial practices of CERC management to ensure that an effective control environment is in place that safeguards assets and supports the publication of credible financial reports.

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## *Appointment of external auditors*

The members are asked to appoint the external auditors of the corporation at each annual general meeting. The terms of engagement for that audit are as follows:

The external auditors are responsible for expressing an opinion on the financial statements of the corporation, namely the balance sheet, the statements of revenues and expenditures, accumulated access over expenditures and cash flows. That opinion is favourable when it states that those financial statements present fairly in all material respects the financial position of CERC, in accordance with Canadian generally accepted accounting principles. The letter of engagement is updated from time to time and reviewed by the audit committee.

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## *Internal controls*

The following internal controls are in place within CERC to manage the daily financial affairs of the Council.

### Execution of documents

1. Contracts, documents or any instruments in writing requiring the signature of the corporation shall be signed by any two officers or directors as appointed by the board. The board has delegated this authority to the president and the secretary treasurer, who are responsible for signing any leases or other instruments the board of directors have authorised.
2. Current leases and contracts cover the following:
  - Annual lease of offices at 180 Dundas St West, Toronto, expires June 2010
  - General office support contracts for telephone services and CERC website

### Contract for services:

1. Requests for proposals are issued for all services in excess of \$20,000. At least three vendors are selected to bid on any contract.
2. Where conflicts of interest arise these are identified and reported to the board as necessary.
3. The annual conference hotel site is selected based on location as determined by the board, availability, room cost and convention rental charges. The board approves final hotel selection.

### Asset Controls

1. All furniture and office equipment is identified by serial number and location.
2. Assets in excess of \$1,000 are recorded as fixed assets and depreciated in accordance with accounting practices.

### Annual Budget

1. Each year the board approves a financial budget as presented by the CERC secretary treasurer.
2. The executive committee appointed by the board reviews income and expenses to budget throughout the year.
3. The secretary treasurer presents a report on the budget at each board meeting.

### Financial Reporting

1. The treasurer and the president of CERC review financial reports of revenues and expenses, budget tracking, investments and the balance sheet on a monthly basis.
2. A financial report, containing income and expenses, budget tracking, balance sheet and investments is reviewed with the executive committee on a quarterly basis.
3. A financial report, containing income and expenses, budget tracking, balance sheet and investments is reviewed with the board at each board meeting

### Expenses and Accounts Payable:

1. All invoices are matched and confirmed to price quotations from suppliers.
2. All invoices and packing slips are matched and confirmed to goods received.
3. All invoices are recorded as accounts payable upon receipt.
4. All invoices are reviewed and approved by the president before payment is processed.
5. Invoices for \$10,000 or more require the approval of the president together with the signature of the secretary treasurer, or the chair of the board.
6. The president's expenses for travel are approved by the chair of the board.
7. All staff travel expenses are approved by the president.

### Revenues:

CERC derives its revenues from the following sources:

Membership and annual dues

Conference and event registrations

CERP program

Miscellaneous sources including, job board; Perspectives magazine, survey revenues.

1. Annual Membership Dues are invoiced monthly. A report of outstanding dues is reconciled on a monthly basis and an aging report is reviewed. Memberships delinquent for 90 days and over are terminated and access to CERC services (website, etc.) is discontinued. Membership reconciliations are done throughout the year. The external auditors as part of the annual audit conduct a reconciliation to ensure membership numbers and revenues are matched.

2. Conference and event registrations are reconciled with each event. Registration lists are maintained and a record of any discounts /complimentary passes etc. is reconciled to ensure correct payments. Discounts/complimentary passes and refunds must be approved by the president.
3. Registration for the CERP program is administered through Centennial College. The College provides CERC with a monthly list of students which is in turn reconciled to revenues remitted to CERC by the College.
4. Revenue reports supplied by MediaEdge are reviewed quarterly to ensure royalty revenues match the number of advertising pages sold. Revenue reports from Workopolis are matched to the CERC job board to ensure monthly revenues match the jobs posted.

#### Banking

CERC banks and holds investments with TD CanadaTrust

1. Bank accounts are reconciled to CERC statements on a monthly basis and approved by the president.
2. Under the terms and structure of CERC's incorporation, the Council may not borrow funds. CERC does have access to a line of credit of up to \$100,000, which is secured by a GIC of \$100,000 held with TD CanadaTrust. This line of credit is used from time to time to ensure cash flow and maximize investment returns. Any funds in excess of \$10,000 drawn against this line of credit require approval of the board of directors.
3. Cheques up to \$10,000 may be signed by any one of the following CERC officers; the president, the treasurer or the chair of the board. Cheques in excess of \$10,000 require signatures of two of the following: the president, the secretary treasurer, the chair of the board.
4. Deposits and transfers to/from investment accounts are reviewed by the president on a regular basis.
5. The president is the only CERC staff member with signing authority at the bank.