

Financial Oversight and Accountability Policy

1. Purpose

- a) The purpose of this Policy is to establish clear financial governance, oversight, and accountability procedures for Esport Canada, ensuring transparency, compliance with applicable laws, and alignment with Sport Canada standards. This Policy complements existing by-laws and ensures prudent management of all organizational funds and resources.
- b) Esport Canada strives to achieve the following key outcomes with this Policy:
 - i. Transparent and accountable financial operations
 - ii. Compliance with Sport Canada and legal obligations
 - iii. Clear roles, responsibilities, and segregation of duties
 - iv. Systematic risk management and internal control
 - v. Board-approved, audited, or reviewed financial statements posted publicly

2. Scope

This Policy applies to all financial activities of Esport Canada, including:

- a) Revenues (membership fees, sponsorships, grants, donations, events);
- b) Expenditures (operational costs, program delivery, competitions);
- c) Banking and investment management; and
- d) Fund management for National Team programs or projects.

3. Roles & Responsibilities

- a) Board of Directors
 - i. Holds ultimate legal and fiduciary responsibility for all financial matters
 - ii. Approves annual budgets, audited financial statements, and significant expenditures
 - iii. Oversees risk management and internal control systems
 - iv. Reviews unaudited quarterly financial statements within 60 days, and annual statements within 90 days of fiscal year-end
 - v. Receives quarterly CEO/CFO certifications regarding remittances, insurance, claims, material agreements, and other material risks
- b) CEO & CFO
 - i. Execute financial operations in accordance with Board-approved policies

- ii. Provide quarterly written certifications to the Board on remittances, liabilities, insurance, claims, and risks
 - iii. Ensure accurate record-keeping and timely reporting
- c) Finance Committee / Treasurer (if appointed)
- i. Review financial statements and budget performance
 - ii. Recommend policies and procedural improvements
 - iii. Oversee audit/review processes
- d) Staff & Volunteers
- i. Follow financial procedures, expense policies, and reporting requirements

4. Financial Year

- a) Fiscal year runs from **July 1** to **June 30**.

5. Signing Authority

- a) The CEO, CFO, and Chair have signing authority for all partnerships and financial transactions. Esport Canada notes that the Board may set limits on signing authorities by resolution, from time to time and as required.
- b) No individual is permitted to act as the sole authority for their own business expenses and reimbursements.

6. Banking & Investments

- a) Opening or closing accounts requires Board quorum approval.
- b) Board may establish limits and authorizations on banking and investment arrangements.

7. Budgeting & Planning

- a) Annual budgets must be prepared, reviewed, and approved by the Board.
- b) Actual expenditures must be compared against budget, with variances reported.
- c) Multi-year financial planning aligns resources with strategic objectives.
- d) Expenditures require clear approval thresholds to ensure segregation of duties.

8. Financial Reporting

- a) Quarterly and annual reports must be presented to the Board.
- b) Annual financial statements must be audited, reviewed, or compiled based on revenue thresholds:
 - < \$50,000: Members may waive appointment of a public accountant by unanimous resolution
 - \$50,000–\$249,999: Auditor appointed; review engagement or audit as determined by Members
 - ≥ \$250,000: Auditor appointed; audit required
- c) Reports must be posted on Esport Canada's website within six months of fiscal year-end.
- d) Reports must include income statement, balance sheet, variance analysis, and reserve status.

9. Audit & Review Engagement

- a) Auditors or public accountants must be independent, recognized professionals.
- b) Audited/reviewed financial statements must be delivered within 90 days of fiscal year-end.
- c) Members may adjust engagement type mid-year if material revenue changes occur.

10. Risk Management & Internal Controls

- a) Board is responsible for ongoing identification and management of financial and operational risks.
- b) Internal controls include:
 - i. Segregation of duties (approvals, disbursement, and record-keeping)
 - ii. Expense and reimbursement procedures
 - iii. Compliance with remittances, taxes, and contractual obligations
- c) CEO/CFO certify quarterly that all obligations have been met and risks monitored

11. Conflict of Interest & Related-Party Transactions

- a) All transactions involving Board members, staff, or affiliates must be disclosed;
and
- b) Approval of related-party transactions requires Board oversight.

12. Compliance

- a) All financial activities must comply with:
 - i. Applicable laws and regulations as identified by Esport Canada as relevant to all financial activities;
 - ii. Sport Canada funding agreements; and
 - iii. Esport Canada's By-laws.
- b) All documentation must be retained for auditing and reporting purposes.

13. Policy Review

- a) This Policy shall be reviewed annually by the Board or Finance Committee.
- b) Amendments require Board approval to ensure continued alignment with legal and funding requirements.