

Understanding Standard 1.4

Core Area 1		Adherence to laws, regulations, and BC housing agreements; importance and responsibility of operational management positions; effective strategies, policies, and frameworks to ensure long term success; ensures organizational viability through effective financial management.		
Standard 1.4		Effective financial management is in place to ensure viability, including regular Board oversight and approvals		
Element	Description	Unaware - Developing	Aware - Developing	Meets
1.4.a	Board members are aware of and perform their fiduciary duties in a transparent manner with sound accounting controls to ensure financial viability with independent oversight.	Financial statements are not reviewed by the board. They are not as per sound accounting approach. They are not submitted to BC Housing when required	Financial statements are not reviewed regularly, submitted to BC Housing with explainable delay. An alternate process is followed to provide assurance where audited financial statements are not available	Audited financial statements are submitted to BC housing when required. The board meets regularly to review the financial statements and provide action recommendations. An independent declaration from external auditors is available when required. Where audited statements are not required, an alternative process is in place to provide assurance. Such as a third-party review of the organization's financials - professional property manager, certified Accountant, etc.
1.4.b	A budget is in place and approved by the Board annually. Income and expenditure reports are reviewed against the planned budget regularly. Deviations against budget are rectified promptly.	Annual budget is not completed and/or reviewed by the Board. Budgets are not submitted to BC Housing on time (if required).	Applicable budget submissions to BC Housing are late and/or incomplete. Board does not approve final organization budget. Board reviews of actual against planned expenditure are infrequent and inconsistent.	Applicable budgets are approved by the Board and submitted to BC Housing on time. The budget actuals versus planned review is conducted regularly.
1.4.c	Major expenditures are supported by a business case. Value for money in procurement is tested through the use multiple suppliers.	Purchases are not subject to procurement guidelines and cannot be verified as providing value for money.	Multiple quotes are obtained for most expenditures over \$5000 but there is no documented procurement processes.	Procurement policy requires 3 quotes for all work over \$5000, with conflict-of-interest protection in place. BC Housing's Non-Profit Procurement Guidelines are followed for all major expenditures. Appropriate spending thresholds are used to drive procurement processes and purchasing decisions. A fair and open process is used when calling for, receiving and evaluating quotations and tenders
1.4.d	Appropriate financial management, policies and procedures for financial controls are in place and followed.	Financial documents, policies and procedures are out of date, lost or unavailable.	Relevant financial policies and procedures are discussed and documented informally, infrequently, or	Record keeping and financial statements are in accordance with Canadian Accounting standards. Clearly defined spending authorities, policies and

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			inconsistently. Relevant documents need review or updating	procedures for arrears, purchasing and investment of funds are in accordance with applicable BC Housing agreements and applicable laws
1.4.e	Financial statements demonstrate overall Financial Viability.	Financial viability is not considered or tested.	Analysis of financial viability is incomplete or inaccurate.	The organization can demonstrate that it meets all financial obligations, assesses financial risk and is financially viable. There is some level of financial planning.

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