Financial Management Policy

Policy Number: G-04.02.00	Next Review Date: 2028
Approved by: NSRDDA Board	Approval Date: February 8, 2026

1. Purpose

This policy establishes the principles and responsibilities that govern financial management practices of the NSRDDA. It ensures that the Regulator's financial resources are managed prudently, transparently, and in compliance with applicable laws, regulations and best practices.

2. Scope

This policy is intended for use by:

- The Board
- The Registrar and staff

It applies to all financial activities undertaken by the NSRDDA, including budgeting, accounting, financial reporting, internal controls, procurement, banking, and asset management.

3. Principles

The following principles will guide the NSRDDA's financial management practices:

- **Stewardship**: The NSRDDA must use funds in a manner that maximizes value and supports the public interest.
- **Accountability**: Clear roles and controls must be in place to ensure responsible use of resources.
- **Transparency**: Financial activities must be clearly documented and available for review.
- **Integrity**: Financial decisions must be ethical, compliant, and aligned with organizational priorities.

4. Policy Statement

(a) Roles and Responsibilities

The **Registrar**:

- Oversees day-to-day financial management
- Ensures compliance with financial policies and reporting
- Prepares budget drafts, forecasts, and variance reports

Staff follow procurement, expense, and documentation procedures. They also safeguard financial data and assist in financial operations.

The **Finance, Audit and Risk Committee** reviews draft budgets, financial reports, and audit findings. It advises the Board on financial sustainability and risks.

The **Board** reviews and approves the annual budget and financial policies. It reviews quarterly and annual financial statements and ensures adequate oversight of financial risks.

(b) Budgeting and Forecasting

Financial planning will follow the NSRDDA's Budgeting Policy. The annual budget must be:

- Developed with relevant staff and committee input and based on conservative forecasts
- Approved by the Board prior to the fiscal year
- Monitored monthly by the Registrar with reports to the Board provided at least quarterly

(c) Financial Reporting

Financial statements must be prepared in accordance with applicable Canadian accounting standards.

The Registrar will present quarterly reports comparing actuals to budget and providing comparative year-to-date numbers in relation to the last fiscal year.

Annual audited financial statements must be presented to the Board for approval, made available to the responsible Minister and posted for registrants on the registrant portal.

(d) Internal Controls

The NSRDDA will maintain appropriate internal controls to prevent misuse of funds, including:

- Segregation of duties, where possible
- Dual signing authority for cheques and electronic transfers
- Documented authorization for all expenditures
- Regular bank reconciliations and financial reviews

(e) Procurement and Vendor Management

In recognition of the regulator's small scale and limited procurement volume, a formal competitive process (e.g., public tenders, RFPs) is not required. However, it is important that the Regulator ensures that all external providers meet its standards for integrity, privacy protection, cybersecurity, service quality, and alignment with the organization's values, including its commitment to EDIRA.

The following due diligence steps should be undertaken:

a. Needs Assessment

- Clearly define the scope, objectives, and budget of the procurement
- Consider whether internal resources or existing contracts can fulfil the requirement

b. Vendor Identification and Evaluation

- Identify potential suppliers through professional networks, previous engagements, or sector referrals
- When engaging a new supplier or contractor:
    - Obtain and document at least two references from recent clients or employers
    - Verify the supplier's relevant experience, quality of service, and reliability
    - Review terms of ownership of work product and/or data
    - Review vendor policies related to cybersecurity, privacy, and EDIRA (if applicable)
    - For IT vendors, assess system security, data residency, and breach protocols
- Evaluation criteria for supplier selection may include:
    - Experience and expertise
    - Cost-value for money
    - Compliance with security and privacy standards
    - Ability to communicate in accessible, plain language
- Document rationale for supplier selection, especially where there are few available vendors or time-sensitive needs

c. Approval and Documentation

- Ensure expenditures align with the approved budget and fall within established signing authority limits (see Section (f) below)
- Procurement decisions must be documented, including
    - Description of goods or services
    - Cost and payment terms
    - Reference check summaries
    - Signed agreement or purchase order, where applicable
- All vendor contracts must:
    - Clearly define scope, deliverables, timelines, and payment terms
    - Include confidentiality and privacy protection clauses
    - Require notification of actual or suspected data breaches
    - Include cybersecurity and data protection provisions for IT service providers
    - Address data residency (data must remain in Canada unless otherwise approved)
    - Address data ownership and work product ownership (if applicable)
    - Provide right to audit or review vendor performance (where appropriate)
    - Outline termination rights and procedures for poor performance or breach

d. Risk-Based Oversight

Vendor risk will be assessed based on:

- Access to sensitive or personal data
- Criticality of service to regulatory operations
- Contract value and duration

Higher-risk vendors (e.g., cloud providers, consultants managing registrant data) will be subject to:

- Annual performance reviews
- Cybersecurity and data residency attestation (or equivalent assurance)
- Incident response coordination

e. Conflict of Interest

- Staff or Board members involved in procurement must declare any real or perceived conflicts of interest
- Any conflicted individual must recuse themselves from the selection process

f. Recordkeeping

- All procurement decisions, vendor assessments, contracts, and performance reviews will be documented and retained in accordance with the Regulator's records management policies.

(f) Expenditure Approvals and Controls

Amount (CAD)	Required Approvals	Documentation Required
<$1000	Budget holder or designate	Receipt or invoice
$1000-$10,000	Registrar or equivalent	Invoice and documented reference check
>$10,000	Registrar + Board	Contract or agreement, reference checks, rationale

All procurement records will be retained in accordance with the Records Retention Policy.

5. Monitoring and Policy Review

The Chair of the Finance, Audit and Risk Committee will ensure that this policy is reviewed in accordance with the Board's policy review cycle or as required by significant operational or environmental changes.

6. Accountability

The Board Chair and the Registrar are accountable for ensuring compliance with this policy.