

POLICY NAME: Audit Policy	CATEGORY: Administration
APPROVED BY: CPAC	APPROVED: October 30, 2020
	REVISION APPROVED:
POLICY OWNER: Co-Directors, Systems	NEXT REVIEW: October 2023

1. Introduction

World Renew has defined a series of values by which we intend to do our work and for which we want to be held accountable. In essence, World Renew’s tagline that focuses on Micah 6:8 captures the overriding values and motivations for our work: “Doing justice, loving mercy and serving Christ” in all we do. Our value concerning stewardship states: “We are grateful recipients of God’s gifts to us. We steward these gifts with integrity, accountability and systems of reporting that honour both the intent of the donors and the flourishing of people in communities.” This audit policy outlines one of the ways that we put this core value into practice within the organisation.

2. Scope

This policy applies to the World Renew Canada Corporation and World Renew US Corporation. Additional audits may be required by funding agencies that give grants to World Renew.

3. Purpose

This policy seeks to ensure that the financial resources of World Renew are managed ethically, transparently, effectively, and in conformity to applicable national and local laws.

4. Principles

World Renew subscribes to the Core Humanitarian Standard, of which Commitment Nine states that “Communities and people affected by crisis can expect that the organisations assisting them are managing resources effectively, efficiently and ethically.” Requirement 9.6.d. states that the organisation “conducts audits, verifies compliance and reports transparently.”

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5. Policy

5.1 Audit Review Committees

5.1.1. The World Renew US Corporation Audit Review Committee composition

The Audit Review Committee shall be a standing committee of the corporation. The Audit Review Committee shall review the annual audit and report its findings to the Board of Directors. The membership of the Audit Review Committee shall include at least two (2) Directors. The chair of the Committee is the Treasurer of the World Renew US Board.

5.1.2 The World Renew Canada Corporation Audit Review Committee composition

As required by World Renew Canada's accrediting body, the Canadian Council of Christian Charities, the Audit Review Committee must have three (3) members, all of whom must be members of the Board of Directors of World Renew Canada. The chair of the Committee is the Treasurer of the World Renew Canada Board.

5.1.3 Responsibilities of the Audit Review Committees

The Audit Review Committees ensure the integrity of the financial information used by the Boards and made available to the organization's membership as well as the general public. The committees interact on behalf of the Boards with the independent auditors, management and internal auditors (if any). The Committees meet as necessary with the independent auditors and management to review the scope and timing of the forthcoming audit, as well as any other pertinent issues. The Committees review the financial statements with the independent auditors. They review the adequacy and effectiveness of the organization's internal accounting and financial controls with the independent auditors and accounting management. They consider ways to improve these controls and whether the accounting and financial policies are adequate. They review the auditor's Memorandum of Recommendations, if any. The Audit Review Committees draft recommendations for the full Boards to approve the audited financial statements. Their recommendations along with the Audit Review Committees' meeting minutes and supporting documents are shared with the full Boards for their review and formal approval. Additional responsibilities of the Audit Review Committees are listed in the By-laws of World Renew Canada and World Renew US corporations.

5.2 Timing of the Audit

The financial year for World Renew, both Canada and US corporations, is 1 July to 30 June. The books are audited during the period of time negotiated between the external auditors and management. This work is done within six-months of the fiscal year-end.

World Renew's accounting management will meet with external auditors in order to discuss the dates for the audit of the books and any significant financial or management changes before the end of the fiscal year. Much closer to the time agreed, dates must be confirmed.

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The World Renew Finance department must ensure that all the final data and year-end adjustments have been processed and all the ledger accounts have been reconciled by mid-September (two and one half months after fiscal year-end) to enable the audit process to commence.

The auditors should submit the first draft of the audited financial reports to the Audit Review Committees not later than the last week of October.

5.3 Appointment of External Auditors

The Audit Review Committees and management recommend to the Boards for approval the independent auditors who are to examine the books of the organization. It is the responsibility of the Members of the corporations (the Boards of Delegates of both World Renew Canada and World Renew US) to appoint the firm(s) responsible for the audit of the books of World Renew Canada and World Renew US. The Members will normally approve this appointment at the Annual Meeting, upon the recommendation of the Audit Review Committees and the Boards of Directors.

5.4 Changing External Auditors

The Boards of Delegates of World Renew Canada and World Renew US may approve a change in the audit firm(s) performing their external audit(s), upon the recommendation of the Audit Review Committee(s) and the Boards of Directors. The reason for changing auditors must be stated. Profiles and three quotations from audit firms must be submitted.

5.5 Required Auditor Communications

The external auditor is required to communicate to the Boards, in writing, an explanation of the financial audit process, external auditor responsibilities, management's responsibilities, the pertinent accounting standards as well as any material findings and misstatements relating to the organization's internal control structure and audited financial statements. In the event of a material finding or significant internal control deficiency, management will draft a written response explaining their action plan for resolving a given finding.

5.6 Approval of Audited Financial Statements

The audited financial statements are reviewed by the Audit Review Committees and recommended for approval by the Boards, within six months of the fiscal year end, June 30. The audited financial statements and reports are presented to the Members at the Annual Meeting.

5.7 Distribution of Audited Financial Statements

Following approval by the Board of Directors, the audited financial statements are posted on the World Renew website. Copies of the audit report are made available to donors, funding agencies, and other

stakeholders upon request. Copies of the audited statements must be filed with the required governmental and non-governmental entities in the US and Canada.

6. Monitoring and Review

This policy will be reviewed every 3 years and revised to incorporate any lessons learned during implementation or significant changes in context.

7. Key Terms and Definitions¹

Accounting Management: This refers to the staff positions, the Financial Services Finance Managers and Controllers serving World Renew US and World Renew Canada.

Boards of Delegates: World Renew Canada Corporation and World Renew US Corporation each have a Board of Delegates appointed by Christian Reformed Church in North America Canada and US classes, with the addition of at-large delegates and college student delegates. At their annual meeting these Boards of Delegates select the Board of Directors for their respective Canada and US corporations.

Boards of Directors: World Renew Canada Corporation and World Renew US Corporation each have a Board of Directors, selected as noted above under the Boards of Delegates. These two Boards function to govern their respective corporations, and also function jointly for World Renew under the terms and conditions of a Joint Ministry Agreement and through a Joint Ministry Council.

Members: The persons serving on the Boards of Delegates of both World Renew Canada Corporation and World Renew US Corporation.

For legal reasons, we have been advised to add the footnote.

¹ World Renew commits to complying with its applicable statutory and legislative obligations. Accordingly, the specific definitions, terms or concepts used in this policy are for reference purposes only. If necessary, the applicable provincial, state or federal definitions mandated by the appropriate jurisdiction where an employee is employed, will take precedence and/or will supersede the definitions outlined in this policy.