FINANCE, ACCOUNTING & PAYROLL

2025-26 ANNUAL DEPARTMENT UPDATE

Lead: Kapil Sitha, Comptroller

The Finance, Accounting & Payroll Department supports the Nation's budgeting, accounting, payroll, financial reporting, audit coordination, banking and financial controls. Our work helps ensure that Nation resources are managed responsibly, employees are paid accurately, departments can deliver services, and members receive clear and timely financial information.

The team worked through significant inherited backlogs while maintaining day-to-day operations. Role clarity and coordination improved; additional junior payroll support is planned to strengthen coverage and continuity.

THE YEAR BEGAN WITH SIGNIFICANT INHERITED BACKLOGS

When the fiscal year began in April 2025, the department was not starting with a clean set of current records. The team inherited approximately eight-nine months of outstanding work dating from August 2024 and had to process current transactions while correcting historical information.

8 months	1-2 years	2 workstreams
Accounting and payroll backlog at the start	Outdated or misrepresented payroll records	Current operations + historical clean-up

What needed attention

- Accounting: Clear backlogs and complete reconciliations.
- Payroll and employee records: Correct ADP records and update employee records/benefits.
- Financial planning and reporting: Meet approval and Budget & audit deadlines

The department's approach

Keep the current operation moving, work through inherited records, correct control weaknesses, document recurring processes and build a more sustainable service model.

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KEY ACCOMPLISHMENTS AND PROGRESS

The year was focused on restoring reliable records and controls while continuing to deliver core Finance, Accounting and Payroll services. The work below reflects both completed improvements and areas where clean-up is continuing.

1. Rebuilding accounting records and reconciliations

- Worked through historical data-entry and reconciliation backlogs while maintaining current accounting entries and payment processing.
- Improved the regularity of accounting entries, vendor reconciliations and audit schedules, supporting more current and reliable financial information.
- Completed outstanding GST rebate work, including the 2022-23 to part of 2024-25 claim, and continued follow-up on historical submissions.
- Brought back forgotten annual customer statements into quarterly statements and encouraged customers to make payments, improving visibility over outstanding balances and receivables follow-up.

2. Correcting payroll and employee administration

- Reviewed and corrected ADP employee master records, including terminated employees who remained active and employee changes that had not been processed promptly.
- Worked through delayed new-hire set-up, three-month probation follow-up, employee status and non-status classification, pension enrolments, benefits coverage and provider records.
- Corrected payroll and benefit administration items, including pension contribution settings, retroactive pay and evaluation adjustments, leave and vacation settings, insurance deductions and housing deduction frequency.

- Updated dental codes for 105 employee accounts following a review of approximately 200 accounts, and updated other employee records.
- Continued working with benefit providers, including Canada Life and Manulife, to reconcile enrolments, coverage and billing information. Payroll clean-up remains ongoing.

105	~200	Weekly
Dental employee accounts updated	Employee accounts reviewed	Manual cheque reconciliation introduced

3. Improving budget planning and audit readiness

- The 2025-26 budget, intended for approval by March 31, 2025, was approved in September 2025.
- Improved coordination and planning for the next cycle; Chief and Council approved the 2026-27 budget on March 26, 2026, before the new fiscal year.
- Introduced the Nation's first interim audit in January 2026. Starting audit work before year-end helped identify outstanding matters earlier and improve coordination with the external auditors.
- The 2024-25 audit was completed on November 9, 2025, and the 2025-26 annual audit was completed on July 26, 2026. Required reporting to funders followed on July 29, 2026.

4. Strengthening banking safeguards and payment controls

- Following the electronic payment fraud incident in April 2025, strengthened safeguards included separate accounts for receiving and distributing funds, dual authorization for electronic payments, stronger banking oversight and improved email security.
- Introduced manual weekly cheque reconciliations to detect potential duplicate cheque claims arising from a banking-system limitation. Potential duplicate claims are promptly reported to the bank for investigation and recovery.
- Introduced online bill payments requiring two approvals and improved vendor reconciliations and payment processing.

5. Building team capacity and consistent ways of working

- Clarified responsibilities and improved coordination across the Finance and Accounting team and with other departments.
- Began developing standard operating procedures (SOPs) for payroll, accounting entries, reconciliations, banking controls, period-end closures and reporting.
- Completed outstanding financial and program reporting to funders, and worked with project support to progress outstanding reports linked to pending funding.

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CHALLENGES & LESSONS LEARNED

2025-26 year was primarily a recovery and process-improvement year. Staff had to maintain current operations while addressing historical backlogs and correcting records that had accumulated over time. This required sustained effort and placed pressure on the team's capacity.

ISSUE IDENTIFIED	ACTION / LESSON
Outdated accounting records and unreconciled balances	Maintain regular reconciliations, timely entries and clear period-end ownership.
ADP records not updated when employees joined or left	Use timely employee-change notifications, review controls and backup coverage.
Delayed pension and benefit enrolments or changes	Improve new-hire and probation tracking and reconcile provider records regularly.
Potential duplicate cheque claims and payment errors	Continue weekly manual cheque checks, dual approvals and prompt bank escalation.
Late budget preparation and audit completion	Start earlier, improve departmental submissions and use interim audit work to identify issues sooner.
Dependence on limited payroll capacity	Add junior Payroll Clerk support and strengthen review, continuity

and employee response times.

LOOKING AHEAD: 2026-27 PRIORITIES

The next stage is to complete the remaining clean-up and move toward a stable, timely and well-documented operating cycle.

01 COMPLETE THE CLEAN-UP
Continue reconciling historical accounting, payroll, ADP and benefit records while keeping current transactions up to date.

02 STRENGTHEN PAYROLL COVERAGE
Add junior Payroll Clerk support to reduce reliance on one person, improve backup coverage and introduce additional checking to reduce duplicate payments, overpayments, missed benefits and delays.

03 IMPROVE EMPLOYEE SERVICE
Improve the timeliness and clarity of Payroll responses to employees and members; strengthen new-hire set-up, probation follow-up and pension and benefit enrolments.

04 STANDARDIZE CONTROLS
Complete SOPs for payroll, accounting, reconciliations, banking, approvals, period-end closures and reporting.

05 CLOSE THE BOOKS MORE REGULARLY
Maintain quarterly financial closures and progress toward monthly closures as capacity allows; continue interim audit and final audit preparation.

06 PLAN THE BUDGET EARLIER
Use current actuals and forecasts, obtain departmental submissions earlier, and allow adequate FAC and Chief and Council review before the annual approval deadline.

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HIGHLIGHTS & STORIES

From backlog recovery to stronger controls

At the beginning of the year, the team was balancing current work with eight-nine months of outstanding accounting and payroll records. By working through the backlog, correcting employee and financial records, introducing monthly-weekly cheque/bank reconciliations and improving budget and audit planning, the department has strengthened the foundations needed for more reliable service. The work is continuing, but the Nation is better positioned to identify issues earlier and respond with clearer processes.

A practical example of member and employee impact

Accurate and timely payroll supports employees and their families. Correct employee records help ensure people are paid appropriately and receive the pension and benefits to which they are entitled. Regular accounting and bank reconciliations also help protect Nation resources so they remain available for programs and services.

A Significant Improvement in Financial Accountability and Timely Reporting

In the recent years, the Nation is holding its AGM within the same fiscal year in which the audit was completed, rather than experiencing the four-to-five-month delay. This achievement reflects the dedicated efforts of the Finance and Accounting team to ensure that the Nation's transactions, records and financial information are recorded, reconciled and maintained accurately and on time.

These improvements enabled the auditors to issue an **unmodified audit opinion** on the Nation's 2025-26 financial statements. This represents a significant step forward in strengthening financial management, meeting our FAL responsibilities, improving transparency and ensuring that members receive timely financial information and accountability.

BUDGET & RESOURCES

The department's main resource need is sufficient staffing and system capacity to complete historical clean-up while maintaining current services. Planned junior Payroll Clerk support will improve continuity, independent checking and employee response times. Continued coordination with departments is also needed so invoices, purchase orders, approvals and reporting information are received on time.

TRANSPARENCY & ACCOUNTABILITY TO MEMBERS

Financial accountability is not limited to completing the annual audit. Members should be able to understand how Nation resources are managed, review the audited results and receive timely information about financial stewardship. The department's responsibilities include:

- Preparing accurate annual financial statements and supporting schedules for independent audit.
- Supporting the annual report and member financial commentary so financial results, commitments, restrictions and key developments are explained in plain language.
- Maintaining records and controls that support transparency, accountability and responsible stewardship of funds entrusted to the Nation.

Our commitment to members

We will continue improving the accuracy and timeliness of financial information, meet applicable reporting and disclosure obligations, and explain the Nation's financial activities in a clear and accessible way. Members' ability to review the audited statements and ask questions is an important part of accountability.

CULTURAL & COMMUNITY CONNECTIONS

A reliable Finance, Accounting and Payroll function supports every department delivering services to 'Namgis members. Accurate payroll supports employees who provide community programs; timely budgeting and reporting help departments plan services; and sound controls protect resources intended for current and future generations. The department's role is to support these priorities through responsible stewardship, clear information and dependable service.