

Fiscal Year-End Reporting and Closing Audit Policy

Effective Date:	October 1, 2025
Date Last Reviewed:	August 21, 2025
Scheduled Review Date:	September 1, 2026
Policy Owner:	Practice Review
Approved by:	RECA Leadership

PURPOSE

The purpose of this policy is to establish a structured and consistent framework for administering fiscal year-end and closing audit reports. This will better protect consumers, ensure compliance with *Real Estate Act* and Rules, and uphold the integrity of the industries RECA regulates.

SCOPE

This policy applies to all brokerages and brokers.

POLICY STATEMENT

RECA's mandate is to protect the public, including consumer funds held in trust by licensed brokerages. This policy ensures that fiscal year-end and closing audit reports are administered in a timely and consistent manner, reinforcing RECA's commitment to regulatory compliance and the protection of the public interest.

PROCEDURE

Fiscal Year-End Reporting

Submission Deadline

Brokerages must file their Fiscal Year-End Reports **within** three (3) months following their fiscal year-end date.

Application

- A series of six (6) reminder emails will be sent to brokerages during the three (3) month period following their fiscal year-end date to prompt timely submission.

Extension Requests

Brokerages seeking extension of the filing deadline must complete and submit a fiscal reporting extension request form to audit@reca.ca, at least one (1) week before the filing deadline. Approval is at the discretion of the Practice Review Manager.

Closing Audit Reports

Submission Deadline:

Brokerages that cease operations must submit a Closing Audit Report within thirty (30) days of ceasing operations.

Application

- The myRECA Online Licensing System will send a closing audit request notification to the broker upon their completion of a brokerage ceasing application.
- The Practice Review Administrator will place a term on the broker's license once the system provides the closing audit request. Once the brokerage has submitted the Closing Audit Report to RECA and the Administrator deems it satisfactory, the license term will be deactivated.

NON-COMPLIANCE

Mandatory Adherence:

- Compliance with this policy is mandatory for all brokerages.

Brokerages that have not submitted their Reports within two (2) weeks after the filing deadline and have received or held money in trust during the fiscal year, may be referred to RECA Investigations, and have a term placed on the broker's licence. The brokerage/broker also risk suspension or cancellation of their licence, under section 38.1 (3)(e) of the Rules.

- Brokerages without trust activities that have not submitted their reports within two (2) weeks after the filing deadline will have a term placed on the broker's licence until RECA receives the required report and it is deemed satisfactory.