Military Grievances External Review Committee

Comité externe d'examen des griefs militaires

2025-26 Financial statements

Canada

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Military Grievances External Review Committee
Statement of Management Responsibility Including Internal Control over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2026, and all information contained in these financial statements rests with the management of the Military Grievances External Review Committee (the Committee). These financial statements have been prepared by management using the Government of Canada's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Committee's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the Committee's Departmental Results Report, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training, and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the Committee and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level through an ongoing process of identifying key risks, assessing the effectiveness of associated key controls, and making any necessary adjustments. During the 2025–2026 reporting period, the approach to internal audit coverage for small departments was under review. As a result, no formal core control self-assessment was completed by the Committee during this fiscal year. The Committee nevertheless continued to monitor the effectiveness of its system of ICFR through its regular financial management, monitoring, and oversight activities. Additional information is provided in the Annex to the Statement of Management Responsibility.

The financial statements of the Committee have not been audited.

Kelly Walsh
Chairperson and Chief Executive Officer
Ottawa, Canada

Miguel Adam, CPA
Chief Financial Officer
Ottawa, Canada

Military Grievances External Review Committee
Statement of Financial Position (*Unaudited*)
As at March 31

(*in dollars*)

	2026	2025
Liabilities		
Accounts payable and accrued liabilities (note 4)	596,694	775,418
Vacation pay and compensatory leave	361,905	420,849
Employee future benefits (note 5)	116,792	132,509
Contingent liabilities (note 9)	5,000	
Total net liabilities	**1,080,391**	**1,328,776**
Financial assets		
Due from Consolidated Revenue Fund	565,539	761,159
Accounts receivable and advances (note 6)	78,643	38,247
Total net financial assets	**644,182**	**799,406**
Departmental net debt	**436,209**	**529,370**
Non-financial assets		
Tangible capital assets (note 7)	75,501	127,561
Total non-financial assets	**75,501**	**127,561**
Departmental net financial position	**(360,708)**	**(401,809)**

Contractual obligations (note 8)
The accompanying notes form an integral part of these financial statements.

Kelly Walsh
Chairperson and Chief Executive Officer
Ottawa, Canada

Miguel Adam, CPA
Chief Financial Officer
Ottawa, Canada

Military Grievances External Review Committee
Statement of Operations and Departmental Net Financial Position (*Unaudited*)
For the Year Ended March 31

(*in dollars*)

	2026 Planned Results	2026 Actual	2025 Actual
Expenses			
Independent review of military grievances	6,848,000	6,517,089	6,293,537
Internal services	2,282,000	2,665,250	2,682,931
Total expenses	**9,130,000**	**9,182,339**	**8,976,468**
Revenues			
Miscellaneous revenues	0	65	0
Total revenues	**0**	**65**	**0**
Net cost of operations before government funding and transfers	**9,130,000**	**9,182,274**	**8,976,468**
Government funding and transfers			
Net cash provided by Government of Canada		8,771,405	8,302,956
Change in due from Consolidated Revenue Fund		(195,620)	90,662
Services provided without charge by other government departments (note 10)		646,468	551,199
Transfer of salary advances and overpayments from other government departments		1,122	44,654
Net cost of operations after government funding and transfers		**(41,101)**	**(13,003)**
Departmental net financial position - Beginning of year		**(401,809)**	**(414,812)**
Departmental net financial position - End of year		**(360,708)**	**(401,809)**

Segmented Information (note 11)
The accompanying notes form an integral part of these financial statements.

Military Grievances External Review Committee
Statement of Change in Departmental Net Debt (*Unaudited*)
For the Year Ended March 31

(*in dollars*)

	2026	2025
Net cost of operations after government funding and transfers	**(41,101)**	**(13,003)**
Change due to tangible capital assets		
Acquisition of tangible capital assets		37,144
Amortization of tangible capital assets	(46,537)	(47,872)
Proceeds from disposal of tangible capital assets	(1,625)	0
Net loss on disposal of tangible capital assets	(3,898)	0
Total change due to tangible capital assets	**(52,060)**	**(10,728)**
Increase (decrease) in departmental net debt	**(93,161)**	**(23,731)**
Departmental net debt - Beginning of year	**529,370**	**553,101**
Departmental net debt - End of year	**436,209**	**529,370**

The accompanying notes form an integral part of these financial statements.

Military Grievances External Review Committee
Statement of Cash Flows (*Unaudited*)
For the Year Ended March 31

(*in dollars*)

	2026	2025
Operating activities		
Net cost of operations before government funding and transfers	$9,182,274	8,976,468
Non-cash items:		
Amortization of tangible capital assets	(46,537)	(47,872)
Loss on disposal of tangible capital assets	(3,898)	0
Services provided without charge by other government departments (note 10)	(646,468)	(551,199)
Transfer of salary advances and overpayments from other government departments	(1,122)	(44,654)
Variations in Statement of Financial Position:		
Increase in accounts receivable and advances	40,396	21,682
Decrease (increase) in accounts payable and accrued liabilities	178,724	(53,244)
Decrease (increase) in vacation pay and compensatory leave	58,944	(36,250)
Decrease in employee future benefits	15,717	881
Decrease in contingent liability	(5,000)	0
Cash used in operating activities	**8,773,030**	**8,265,812**
Capital investing activities		
Acquisitions of tangible capital assets	0	37,144
Proceeds from disposal of tangible capital assets	(1,625)	0
Cash used in capital investing activities	**(1,625)**	**37,144**
Net cash provided by Government of Canada	**8,771,405**	**8,302,956**

The accompanying notes form an integral part of these financial statements.

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars*)

1. Authority and objectives

The raison d'être of the Committee is to provide an independent and external review of military grievances. Section 29 of the *National Defence Act* provides a statutory right for an officer or a non-commissioned member who has been aggrieved, to grieve a decision, an act or an omission in the administration of the affairs of the Canadian Armed Forces. The importance of this broad right cannot be overstated since it is, with certain narrow exceptions, the only formal complaint process available to Canadian Armed Forces members.

The Committee is an independent administrative tribunal reporting to Parliament through the Minister of National Defence. The Committee reviews military grievances referred to it pursuant to section 29 of the *National Defence Act* and provides findings and recommendations to the Chief of the Defence Staff and the Canadian Armed Forces member who submitted the grievance.

The Committee also has the obligation to deal with all matters as informally and expeditiously as the circumstances and the considerations of fairness permit.

The Committee operates under the following core responsibility and internal services:

- Independent Review of Military Grievances
- Internal Services

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars*)

2. Summary of significant accounting policies

These financial statements are prepared using the Committee's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

(a) Parliamentary authorities
The Committee is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the Committee do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the "Expenses" and "Revenues" sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the Future-oriented Statement of Operations included in the 2025-2026 Departmental Plan. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt because these amounts were not included in the 2025-2026 Departmental Plan.

(b) Net cash provided by Government
The Committee operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Committee is deposited to the CRF, and all cash disbursements made by the Committee are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.

(c) Amounts due from or to the CRF
Amounts due from or to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the Committee is entitled to draw from the CRF without further authorities to discharge its liabilities.

(d) Revenues
Revenues are comprised of revenues earned from non-tax sources. They include non-exchange transactions where no performance obligations exist to provide a good or service. These transactions are non-recurring in nature.
Other revenues are recognized in the period the event giving rise to the revenues occurred.
Revenues that are non-respendable are not available to discharge the Committee's liabilities. While the Chairperson and Chief Executive Officer is expected to maintain accounting control, she has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented as of reduction of the entity's gross revenues.

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars*)

(e) Expenses

Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment. Services provided without charge by other government departments for employer contributions to the health and dental insurance plans are recorded as operating expenses at their carrying value.

(f) Employee future benefits

i. Pension benefits - Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. The Committee's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The Committee's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.
ii. Severance benefits - The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Financial instruments

A contract establishing a financial instrument creates, at its inception, rights, and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Committee recognizes a financial instrument when it becomes a party to a financial instrument contract.
Financial instruments consist of accounts and loans receivable, and accounts payable and accrued liabilities.
All financial assets and liabilities are recorded at cost or amortized cost. Any associated transaction costs are added to the carrying value upon initial recognition.
Accounts receivable are initially recorded at cost. When necessary, an allowance for valuation is recorded to reduce the carrying value of accounts receivable to amounts that approximate their net recoverable value.

(h) Non-financial assets

The costs of acquiring equipment and other capital property are capitalized as tangible capital assets and are amortized to expense over the estimated useful lives of the assets, as described in Note 7. All tangible capital assets and leasehold improvements having an initial cost of $10,000 or more are recorded at their acquisition cost. Tangible capital assets do not include immovable assets located on reserves as defined in the *Indian Act*, works of art, museum collection and Crown land to which no acquisition cost is attributable; and intangible assets.

(i) Contingent liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, a provision is accrued, and an expense recorded to

other expenses. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars*)

(j) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the Government's best estimate of the related amount at the end of the reporting period. The most significant items where estimates are used are the liability for employee future benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated.

Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

(k) Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

i. Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
ii. Certain services received on a without charge basis are recorded for the Committee's financial statement purposes at the carrying amount.

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars*)

3. Parliamentary authorities

The Committee receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the Committee has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year authorities used

	2026	2025
Net cost of operations before government funding and transfers	9,182,274	8,976,468
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(46,537)	(47,872)
Loss on disposal of tangible capital and non-capital assets	(3,833)	0
Services provided without charge by other government departments	(646,468)	(551,199)
Decrease (increase) in vacation pay and compensatory leave	58,944	(36,250)
Decrease in employee future benefits	15,717	881
Increase in contingent liability	(5,000)	
Bad debt expense	(13,745)	0
Refunds of prior years' expenditures	1,592	17,053
Adjustments to previous years' payables at year-end	1	4,810
Recovery of gross salary overpayment for employees transferred from other government department	0	22
Increase in expenditures not being charged to appropriations at the same time	(738)	0
Increase in salary overpayments to be recovered not charged to authorities	0	1,602
Total items affecting net cost of operations but not affecting authorities	**(640,067)**	**(610,953)**
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	0	37,144
Increase in salary overpayments	450	534
Total items not affecting net cost of operations but affecting authorities	**450**	**37,678**

Current year authorities used	**8,542,657**	**8,403,193**

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars*)

(b) Authorities provided and used

	2026	2025
Authorities provided:		
Vote 1: Operating expenditures	7,902,917	8,220,517
Statutory amounts	974,354	938,345
Less:		
Lapsed: Operating	(334,614)	(755,669)
Current year authorities used	**8,542,657**	**8,403,193**

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars*)

4. Accounts payable and accrued liabilities

The following table presents details of the Committee's accounts payable and accrued liabilities:

	2026	2025
Accounts payable – Other government departments and agencies	12,625	189,275
Accounts payable – External parties	72,967	134,239
Total accounts payable	**85,592**	**323,514**
Accrued liabilities	511,102	451,904
Total accounts payable and accrued liabilities	**596,694**	**775,418**

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars*)

5. Employee future benefits

(a) Pension benefits

The Committee's employees participate in the Public Service Pension Plan (the Plan), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with the Canada/Quebec Pension Plan benefits and they are indexed to inflation.

Both the employees and the Committee contribute to the cost of the Plan. Due to the amendment of the *Public Service Superannuation Act* following the implementation of provisions related to the Economic Action Plan 2012, employee contributors have been divided into two groups: Group 1 relates to existing plan members as of December 31, 2012; and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2025-2026 expense amounts to $616,669 ($601,855 in 2024-2025). For Group 1 members, the expense represents approximately 1.01 times (1.02 times in 2024-2025) the employee contributions and, for Group 2 members, approximately 1.00 time (1.00 time in 2024-2025) the employee contribution.

The Committee's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Consolidated Financial Statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits

Severance benefits provided to the Committee's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2026, substantially all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

	2026	2025
Accrued benefit obligation - Beginning of year	**132,509**	**133,390**
Expense for the year	(15,717)	8,793
Benefits paid during the year	0	(9,674)

Accrued benefit obligation - End of year	**116,792**	**132,509**

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars*)

6. Accounts receivable and advances

The following table presents details of the Committee's accounts receivable and advances balances:

	2026	2025
Receivables – Other government departments and agencies	76,035	9,698
Receivables – External parties	16,339	26,210
Employee advances	0	2,360
Subtotal	92,374	38,268
Allowance for doubtful accounts on receivables from external parties	(13,731)	(21)
Net accounts receivable	**78,643**	**38,247**

The following table provides an aging analysis of accounts receivable from external parties and the associated valuation allowances used to reflect their net recoverable value:

	2026	2025
Accounts receivables from external parties		
Not past due	248	26,189
Number of days past due		
1 to 30	0	0
31 to 60	0	0
61 to 90	0	0
91 to 365	0	0
Over 365	13,731	21
Subtotal	13,979	26,210
Less: Valuation allowance	(13,731)	(21)
Total	**248**	**26,189**

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars*)

7. Tangible capital assets

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Machinery and equipment	10 years
Informatics hardware	3 to 6 years
Informatics software	3 years
Other equipment	10 years
Leasehold improvements	Over the useful life of the improvement or the lease term, whichever is shorter

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars*)

	Cost				Accumulated Amortization				Net Book Value	
Capital Asset Class	**Opening Balance**	**Acquisitions**	**Disposals and Write-Offs**	**Closing Balance**	**Opening Balance**	**Amortization**	**Disposals and Write-Offs**	**Closing Balance**	**2026**	**2025**
Machinery and equipment	17,321	0	0	17,321	13,857	1,732	0	15,589	1,732	3,464
Informatics hardware	623,739	0	100,287	523,452	570,530	21,636	100,287	491,879	31,573	53,209
Informatics software	29,475	0	0	29,475	29,475	0	0	29,475	0	0
Other equipment	53,613	0	22,093	31,520	41,989	2,850	16,570	28,269	3,251	11,624
Leasehold improvements	245,801	0	0	245,801	186,537	20,319	0	206,856	38,945	59,264
Total	**969,949**	**0**	**122,380**	**847,569**	**842,388**	**46,537**	**116,857**	**772,068**	**75,501**	**127,561**

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars*)

8. Contractual obligations

The nature of the Committee's activities may result in some large multi-year contracts and obligations whereby it will be required to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	2027	2028	2029	2030	2031	2032 and subsequent	Total
Operating lease	$267,036	$244,783	$0	$0	$0	$0	$511,819

The current office lease expired in February 2026. The Committee is working with Public Services and Procurement Canada to secure an extension to the current lease to support the Committee's continued occupancy of its existing premises. It is expected that a lease extension agreement will be concluded during the current fiscal year.

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars*)

9. Contingent liabilities

Contingent liabilities arise in the normal course of operations and their ultimate disposition is unknown.

Claims and litigation

The Committee has recorded an allowance for claims and litigations where it is likely that there will be a future payment and a reasonable estimate of the loss can be made.

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars)*

10. Related party transactions

The Committee is related, as a result of common ownership, to all government departments, agencies, and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual.

The Committee enters into transactions with these entities in the normal course of business and on normal trade terms.

(a) Common services provided without charge by other government departments

During the year, the Committee received services without charge from certain common service organizations, related to the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded at the carrying value in the Committee's Statement of Operations and Departmental Net Financial Position as follows:

	2026	2025
Employer's contribution to the health and dental insurance plans	646,468	551,199
Total	**646,468**	**551,199**

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Services and Procurement Canada and audit services provided by the Office of the Auditor General are not included in the Committee's Statement of Operations and Departmental Net Financial Position.

(b) Other transactions with other government departments and agencies

	2026	2025
Accounts receivable	76,035	9,698
Accounts payable	12,625	189,275
Expenses	1,535,818	1,199,485

Expenses disclosed in (b) exclude common services provided without charge, which are already disclosed in (a).

Military Grievances External Review Committee
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31
(*in dollars*)

11. Segmented information

Presentation by segment is based on the Committee's core responsibility. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for the main core responsibilities, by major object of expense and by major type of revenue. The segment results for the period are as follows:

Operating expenses	Independent Review of Military Grievances	Internal Services	2026 Total	2025 Total
Salaries and employee benefits	6,069,857	2,078,240	8,148,097	7,848,013
Rentals	230,807	242,249	473,056	496,312
Professional and special services	81,120	236,083	317,203	478,827
Amortization of tangible capital assets	15,172	31,365	46,537	47,872
Acquisition of non-capital assets	74,452	50,351	124,803	35,728
Transportation and communications	18,505	5,648	24,153	30,145
Information	300	73	373	15,834
Repair and maintenance	828	9,664	10,492	14,468
Utilities, materials and supplies	10,557	5,100	15,657	10,578
Other	15,491	6,477	21,968	(1,309)
Total expenses	6,517,089	2,665,250	9,182,339	8,976,468
Revenues				
Miscellaneous revenues		65	65	0
Total revenues		65	65	0
Net cost of operations	**6,517,089**	**2,665,185**	**9,182,274**	**8,976,468**

Annex to the Statement of Management Responsibility Including Internal Control over Financial Reporting of the Military Grievances External Review Committee for Fiscal Year 2025-2026 *(unaudited)*

1. Introduction

In support of an effective system of internal control, the Military Grievances External Review Committee (the Committee) conducted self-assessments of key control areas that were identified to be assessed in the 2025-2026 fiscal year. A summary of the assessment results and action plan is provided in section 2.

The Committee will assess all key control areas over a 5-year cycle. The assessment plan is provided in section 3.

2. Assessment results for the 2025-2026 fiscal year

In 2025–2026, the approach to internal audit coverage for small departments was under review. As a result, no core control self-assessments were completed by the Committee during the fiscal year.

Notwithstanding this pause, the Committee continued to maintain and monitor its system of internal controls over financial reporting through its regular financial management and oversight activities. This included the application of delegated financial authorities, account verifications, reconciliations, budget monitoring, financial reporting, and management reviews.

No matters of concern came to management's attention during the year that would indicate a significant weakness in the Committee's system of internal control over financial reporting.

3. Assessment plan

The Committee will continue to monitor the effectiveness of its internal controls through its ongoing financial management and oversight activities. Future formal self-assessment activities will be aligned with applicable requirements and guidance for small departments as they evolve.