

BOUCHER INSTITUTE
POLICY

Policy Title: Audit Policy

Date of Initial Board Approval: April 15, 2019

Date of Last Approved Revision: October 7, 2019

Person(s) Responsible for Implementation & Adherence: Board of Governors, President and CFO

Related Procedures:

The Boucher Institute of Naturopathic Medicine (BINM) is a not-for-profit post secondary institution operating under the Private Training Institutions Branch of B.C. and is accountable for public funds. High standards for the responsible use of financial resources are vital to public trust and the achievement of our mission. The purpose of this policy is to ensure that the Institute College undertakes an external audit of the financial records annually, in accordance with Ministry of Advanced Education and Training, the Council on Naturopathic Medical Education and the audit standards of the Canadian Institute of Chartered Accountants and the BC Societies Act.

An audit is the verification of the financial statements of a legal entity, with a view to express an audit opinion. The audit opinion is intended to provide reasonable assurance that the financial statements are presented fairly, in all material respects, and/or give a true and fair view in accordance with the financial reporting framework.

1. External licensed auditors shall be appointed by ordinary resolution at each AGM annually to review the financial records of the Institute and to hold office until the close of the next AGM.

2. A person is qualified to act as an auditor of a society only if the person is:
 - (a) a member of, or is a partnership whose partners are members of, a provincial institute of chartered accountants within Canada,

 - (b) a member of a provincial organization of chartered professional accountants within Canada, authorized by that organization to perform an audit,

 - (c) a professional accounting corporation as defined in the [Chartered Professional Accountants Act](#), authorized by the CPABC as defined in that Act to perform an audit, or

 - (d) a registered firm as defined in the [Chartered Professional Accountants Act](#), authorized by the CPABC as defined in that Act to perform an audit.

3. A person who is not independent of a society must not act as the auditor of the society.

(a) For the purposes of this section, a person is not independent of a society if the person is:

- (i) a director or senior manager of the society or a person who holds an equivalent position in a subsidiary of the society,
- (ii) an employee of the society or of a subsidiary of the society,
or
- (iii) a partner, employer, employee or member of the immediate family of a person referred to in subparagraph (i) or (ii),

4. Except in the circumstances described in subsection (3) (d), membership in a society is not to be taken into consideration in determining whether an auditor is independent.

5. Capacity to act as auditor:

(a) An auditor of a society who is not, or who ceases to be, qualified to act as an auditor must, promptly after becoming aware of that fact, become qualified or resign as auditor of the society.

(b) An auditor of a society who is not, or who ceases to be, independent must, promptly after becoming aware of that fact,

(i) eliminate the circumstances that resulted in the auditor not being independent,
or

(ii) resign as auditor of the society.

6. On the application of a member of a society or another person whom the court considers to be an appropriate person to make an application under this section, the court may order that an auditor of a society referred to in subsection (1) or (2) be removed on terms and conditions the court considers appropriate.

7. Removal of auditor during term:

(a) A society may, by ordinary resolution passed at a general meeting called for the purpose, remove its auditor before the expiration of the auditor's term of office, and must, by ordinary resolution passed at the general meeting referred to in paragraph (a), appoint a person as auditor for the remainder of the term of office of the auditor who was removed under that paragraph.

(b) Before calling a general meeting, a society must send to the auditor who is proposed to be removed:

(i) written notice of the intention to call the meeting, specifying the date on which the notice of the meeting is proposed to be sent, and

(ii) a copy of all of the materials proposed to be sent to the members in connection with the meeting.

8. The auditor of a society must make the examinations that are, in the auditor's opinion, necessary to enable the auditor to prepare the report required under section 117.

9. A person who is or was a member, director or senior manager of a society or holds or held an equivalent position in a subsidiary of the society, or who is or was an employee or agent of the society or of a subsidiary of the society, must, to the extent that the person is reasonably able to do so, comply with any demand of the auditor of the society to do the following:

(a) provide to the auditor all of the information and explanations that the auditor considers necessary for the purpose of any examination or report that the auditor must or may make or prepare under this Act;

(b) allow the auditor access to all of the society's records and all of the records of the society's subsidiaries, if any, that the auditor may require for the purpose of an examination or report referred to in paragraph (a) and provide to the auditor copies of those records, when and as required by the auditor.

10. The auditor of a society must:

(a) prepare for the members of the society a report on the financial statements that are to be presented to the members at an annual general meeting, and

(b) state in the report referred to in paragraph (a) whether, in the auditor's opinion, the financial statements

(i) fairly reflect, in all material respects, for the period under review, the financial position of the society and the results of its operations,

(ii) were prepared in accordance with generally accepted accounting principles,

(iii) in the case of financial statements other than the first financial statements, were prepared on a basis consistent with the basis on which the financial statements that related to the preceding period were prepared.

11. If an opinion given by an auditor in a report made under subsection (1) is subject to qualification, the auditor must state, in the report, the reasons for the qualification.

12. The auditor of a society is entitled, in respect of a general meeting,

(a) to each notice and other communication relating to the meeting to which a member is entitled,

(b) to attend the meeting, and

(c) to be heard at the meeting on any part of the business of the meeting that deals with the financial statements of the society or any other matter with respect to which the auditor has a duty or function.

13. A member of a society may, by written notice received by the society at least 7 days before the meeting, require the attendance of the auditor at a general meeting at which

(a) the financial statements of the society are to be considered, or

(b) the auditor is to be appointed or removed.

14. An auditor of a society who is present at a general meeting at which the financial statements of the society are to be considered must answer questions concerning the financial statements, the auditor's report, if any, on those financial statements and any other matter with respect to which the auditor has a duty or function.

15. If, after an annual general meeting at which the financial statements of a society were considered, facts come to the attention of the directors or senior managers of the society

(a) that could reasonably have been determined before the date of the meeting,
and

(b)that, if known before that date, would have required a material adjustment to the financial statements presented to that meeting, the directors or senior managers must communicate those facts to the auditor, and the directors must promptly amend the financial statements and send the amended financial statements to the auditor. If facts come to the attention of the auditor, other than as a result of a communication under that subsection, the auditor must inform each director accordingly, and the directors must promptly amend the financial statements and send the amended financial statements to the auditor.

16. If amended financial statements are sent to the auditor,

(a) the auditor must amend the auditor's report on the financial statements presented to the annual general meeting so that the report complies with this Act, and

(b) the directors must send to the members a copy of the amended report and a statement explaining the effect of the amendment.

17. The College shall use a competitive process to select an external auditor.

18. Renewal of term for an external auditor is subject to the annual Audit and Finance Committee review of the auditor's work performance for a period not exceeding five consecutive fiscal years without a competitive process.

19. The audited financial statement shall be reviewed by the Strategic Planning and Finance Committee of the Board and approved by the Board of Governors prior to each AGM.

20. The board approved audited financial statement shall be submitted to the Society for final approval at each AGM.

21. The Audited financial statement will be made available to the public on an as needed basis.