

FINANCIAL AUDITING SERVICES

Background

The purpose of this Administrative Procedure is to ensure that the District is provided with quality auditing services at a reasonable cost. This procedure provides guidelines for selecting and appointing an auditor and for rescinding an appointment.

Procedures

1. At least every five years, the Secretary Treasurer will invite a minimum of five auditing firms to submit written proposals to provide financial auditing services.
2. The selection process, as defined in the procedures below, will be based on formal interviews conducted by the Secretary Treasurer and a representative or representatives from the Board's Finance/Operations Committee.
3. Proposals must include details outlining the fees and services to be provided, quoted on a three-year basis, with provision for a two-year renewal upon mutual agreement.
4. The Board will approve final selection, including any renewal of service. Selection will be based on the following criteria:
 - 4.1. quality of service
 - 4.2. fee schedules
 - 4.3. references
 - 4.4. ability to perform the service
5. The Board will appoint an auditor to audit the financial accounts and transactions of the Board. The auditor will be a member in good standing of the Canadian Institute of Chartered Accountants or the Certified General Accountants Association of British Columbia, or, if the auditor is a partner in a partnership, the partners will be members in good standing.
6. The Secretary Treasurer will notify the auditor and the Minister of Education of an appointment or the rescission of an appointment in writing (as set out in Section 159(1) of the School Act).
7. Selection of an Auditor
 - 7.1. A minimum of three auditing firms that appear, from experience and through inquiry, to be qualified to render the required service will be listed.
 - 7.2. Each auditing firm will be contacted by letter and the letter will include a summary of questions that will form a basis for discussion. Sample questions are as follows:

- 7.2.1. Where is the office located that would service the District?
 - 7.2.2. What other District audits does that office perform?
 - 7.2.3. What is the size (number of chartered accountants and students) of that office?
 - 7.2.4. Does the firm have a partner who specializes in District or municipal audits, or who is responsible for overseeing the firm's work in these audits?
 - 7.2.5. Which partner would be in charge of the District audit and what previous District or municipal experience has that partner had?
 - 7.2.6. Who would be the audit manager, what are that person's qualifications and what previous District or municipal experience has that person had?
 - 7.2.7. How may staff and at what skill level would be assigned to the audit?
 - 7.2.8. What is the scope of the work that will be performed?
 - 7.2.9. What resources are available from the firm for auditing computer installations?
 - 7.2.10. What work would be done in the interim stage and what work would be done at year-end?
 - 7.2.11. Under normal circumstances, how many hours would be required to perform the audit in a District of _____ students, _____ employees and _____ account codes?
 - 7.2.12. What are the charge-out rates of the personnel proposed to do the work?
 - 7.2.13. Under normal circumstances, what total fee would be charged for the audit?
 - 7.2.14. Does the firm have expertise and experience beyond financial and computer auditing that might be of interest to the District?
 - 7.3. Firms will be invited to present a brief written submission of their experience, personnel and other relevant factors.
 - 7.4. A limited number of interested firms will be selected based on their submissions and will be interviewed separately to investigate in more detail their qualifications, experience in related projects, availability and scheduling of personnel. A checklist of standard questions will be used for each firm.
 - 7.5. Each firm will be carefully checked by contacting recent clients. After considering all information, the firm that appears best suited to the District's needs will be selected.
 - 7.6. The selected firm will be invited to a second interview to discuss in detail the work phases and scope of work.
 - 7.7. If an agreement is reached, a letter will be sent to the firm, and the current firm (if unsuccessful) will be advised, subject to the provisions of the School Act.
 - 7.8. All firms interviewed will be advised of the selection.
8. Rescission Of Appointment
- 8.1. When an auditor's appointment is rescinded, the auditor may appeal the rescission in writing to the Minister within one month of notification. The Minister may confirm or set aside the rescission. The auditor must file a copy of the written appeal with the Secretary Treasurer.

8.2. The Board will not appoint another auditor until the time allowed for an appeal by the auditor has elapsed, or, where an appeal has been made, until the Minister has dealt with the appeal. Recissions are not effective until a successor is appointed.

Reference: Sections 22, 23, 65, 81, 85, 106.3, 106.4, 110, 111, 112, 112.1, 113, 114, 115, 117, 118, 156, 157,
157.1 School Act
Financial Information Act

Approved: March 2001

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