 <b>Commission scolaire English-Montréal</b> <b>English Montreal School Board</b>		
<b>POLICY:</b>	<b>APPOINTMENT OF EXTERNAL AUDITORS</b>	<b>CODE: FS-8</b>
<b>Origin:</b>	Financial Services	
<b>Authority:</b>	Resolution #01-03-28-8.8	
<b>Reference(s):</b>		


## PURPOSE

The objective of this policy is two-fold – namely:

1. to conform to articles 284 and 285 of the Education Act;
2. to establish a procedure for the annual appointment of external auditors.

## POLICY STATEMENT

1. In conformity with the Education Act, external auditors shall be appointed annually from among the members of a professional order of accountants governed by the professional code.
2. No member of the Council of Commissioners, nor business associate of same, may act as external auditor for the Board. This rule shall also apply to an employee of the Board.
3. No person who, during the year for which the audit is carried out, has directly or indirectly any interest in a contract with the Board – unless his interest with the contract arises from the practice of his profession – may act as external auditor.
4. The content of the annual audit, the procedure for the annual appointment of external auditors, as well as declarations of potential conflicts of interest, are described within the Procedure accompanying this policy.

 <b>Commission scolaire English-Montréal</b> <b>English Montreal School Board</b>		
<b>PROCEDURE:</b>	<b>APPOINTMENT OF EXTERNAL AUDITORS</b>	<b>CODE: FS-8.P</b>
<b>Origin:</b>	Financial Services	
<b>Reference(s):</b>		

## PURPOSE

To describe the basis and procedure by which the Board annually appoints its external auditors.

## GENERAL

The annual audit shall principally consist of three (3) sections, as follows:

1. a review of and report on the Board's internal control procedures including deficiencies and recommendations for improvement;
2. the preparation and presentation of a report to the Audit Committee and the Commissioners expressing an opinion on whether the MEQ report '*Rapport financier des commissions scolaires*' presents fairly the financial results in accordance with generally accepted accounting principles;
3. the preparation and presentation of annual summarized financial statements to the Audit Committee and the Council of Commissioners.

## PROCEDURE

The Audit Committee shall recommend to the Council of Commissioners in January of each year the appointment of the external auditors for the current fiscal year, either through:

1. the reappointment of the firm mandated to perform the external audit in the year immediately preceding;
2. the process of public invitation of bids from audit firms.

In the event that a public invitation for bids is conducted, the following procedures shall be followed:

1. Requests for proposals shall be published in the English and French languages in a major English-language and a major French-language daily newspaper.
2. The requests shall specify, among others, that firms must have prior experience in auditing school boards of comparable size.
3. The requests shall refer interested bidders to a specifications document (to be picked up during a specified period) that shall provide pertinent information about the EMSB, the services required, and the services provided by the EMSB. The services, audit methodology, staff profile, and detailed pricing for three (3) consecutive yearly mandates shall be requested from the bidders in this same document.
4. Sealed bids identifying the tenderer shall be requested from the interested bidders to be received by the date and time specified in the published request for proposal. Bids received after the deadline shall not be opened and shall be rejected and returned to the bidders.
5. Bids shall be received at the Office of the Director General, and date-stamped when received.
6. Subsequent to the deadline for receipt of submissions, the offers shall be opened and registered in the presence of the Director General, the Manager of the Internal Audit Department, and the Director of Financial Services. This process shall be minuted.
7. The Financial Services Department shall evaluate the bids and forward the results to the Audit Committee for information purposes.
8. The Council of Commissioners shall receive the submissions, as well as the evaluations thereof, and may also interview any of the bidders if deemed appropriate. The Council shall then proceed with the appointment of the auditors.

## **ANNUAL DECLARATION**

An annual declaration should be made at the time of appointment of the Board's external auditors by each of the commissioners, managers, and the staff of Internal Audit as to whether or not he/she or his/her business associate(s) is/are employed by the Board's firm of external auditors. An affirmative response shall be immediately referred to the Board's Executive Committee for appropriate action.

No such declaration shall be requested of any other employee of the Board.

Upon appointment of the Board's external auditors, the retained firm (even if it has been re-appointed) shall produce a declaration as to whether or not the audit partner meets both the Education Act's conditions, as well as those of the Code of Ethics of the *Ordre des comptables agréés du Québec*.