



Policy Title: Policy on Selection and Appointment of External Auditor

Issued by: Finance, Audit and Investment Committee

Approved by: Board of Trustees

Effective Date: December 7, 2016

PURPOSE:

In accordance with the Constitution of the Board of Trustees, the Board of Trustees is to recommend to the Members of the Corporation for approval the appointment of auditors. In an appendix of the Constitution of the Board of Trustees which presents the Terms of Reference for the Finance, Audit and Investment Committee (FAIC), a key responsibility of the FAIC is to recommend to the Board (who will recommend to the Members of the Brescia Corporation for final approval) the appointment of a Licensed Public Accountant to complete the audit of Brescia's financial statements on an annual basis.

POLICY:

1. Brescia shall use a competitive process to select an external auditor.
2. The external auditor may be renewed by Members of the Corporation, at the recommendation of the Board of Trustees and FAIC, subject to an annual FAIC review of the auditor's work performance. Such renewal will normally be for a period of 3 to 5 fiscal years. A two-year extension beyond 5 years is possible, for appropriate business reasons without a competitive process.
3. The appointed external audit firm is not to provide non-audit services under which the auditor assumes the role of management, becomes an advocate for Brescia, audits its own professional expertise or creates a mutual or conflicting interest between the auditor and Brescia.
4. The process to review the external auditor's work performance will occur annually following completion of the external audit, with both management and the FAIC assessing the performance of the external auditor according to an agreed-upon set of criteria. As a result of the review, the FAIC will be able to determine the necessity of tendering the external audit and will make a recommendation to the Board of Trustees for either reappointment or tendering of the external audit in a competitive process. If the results of the review cause the FAIC to recommend that external audit services go out for tender, the FAIC will so direct management at the time of the recommendation and a tendering process will be developed and approved by the FAIC.

REFERENCES:

Constitution of the Board of Trustees;
Terms of Reference, Finance, Audit and Investment Committee.