



January 22, 2016

File: 44200-00 GOVERNANCE

**DELIVERED BY EMAIL**

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Dear Sirs/Mesdames:

**ANNUAL REPORTS, AUDITOR APPOINTMENT REQUIREMENTS REMINDER, AND LEGISLATIVE UPDATE**

As “Annual General Meeting season” starts up for many of you, it is a good time to touch base on three related governance items: annual reporting, auditor appointment process and a recent change in legislation.

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**British Columbia  
Farm Industry Review Board**

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First, I would like to take this opportunity to remind you about BCFIRB's Service Plan goals and objectives in relation to on-going reporting expectations.<sup>1</sup> As agreed to previously, rather than imposing a separate reporting requirement, BCFIRB draws on your annual reports to demonstrate how boards and commissions are implementing and using principles-based regulation. As it did last year for its Service Plan Report, BCFIRB will be looking for examples of:

- effective self-governance,
- principles-based, outcomes oriented approach to regulation, and,
- effective and fair resolution of inquiries and disputes.

If you have any questions about BCFIRB's Service Plan goals and objectives and/or Service Plan Report please feel free to contact Peter Leitz at [Peter.Leitz@gov.bc.ca](mailto:Peter.Leitz@gov.bc.ca) or 250 356 5124.

In relation, some of your regulations have an auditor appointment process requirement. Following regulatory requirements such as this one is a simple way of showing effective self governance by your board.

Finally, you may be aware that there is a recent legislative change that impacts on auditor qualifications. The new *Societies Act* will result in changes to your regulations when it comes into force November 28, 2016. Section 42 of the current *Society Act* will be replaced with a reference to the new provisions in (s. 112) of the *Societies Act*. The new section on auditor qualifications is set out below, along with the current section for reference:

#### ***Societies Act* s. 112 [applicable as of Nov 28, 2016]**

##### **Persons qualified to act as auditor**

- 112.** A person is qualified to act as an auditor of a society only if
- (a) the person is a member of, or is a partnership whose partners are members of,
    - (i) a Provincial or Territorial Institute/Ordre of Chartered Accountants within Canada, or
    - (ii) the Certified General Accountants Association of British Columbia, or
  - (b) the person is certified, under section 222 [*board function and liability*] of the *Business Corporations Act*, by the Auditor Certification Board continued under section 221 [*Auditor Certification Board*] of that Act.

2015-18-112 (B.C. Reg. 216/2015).

#### ***Society Act* s. 42 [currently referred to in your Schemes/Regulation]**

##### **Professional qualifications**

- 42.** The auditor of a reporting society must be a person who is
- (a) a member of, or a partnership whose partners are members of, a provincial or territorial institute or ordre of chartered accountants, or a provincial or territorial organization of chartered professional accountants, within Canada, or
  - (b) certified by the Auditor Certification Board under the *Business Corporations Act*.  
RS1979-390-42; 2003-70-288 (B.C. Reg. 64/2004); 2015-1-100 (B.C. Reg. 114/2015).

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<sup>1</sup> [BCFIRB Governance](#)

If you identify areas where auditor-related regulatory requirements may need fine tuning (including the appointment process) let BCFIRB know so it can be discussed with the Ministry of Agriculture.

We look forward to seeing many of you at the upcoming annual general meetings. In the meantime, if you have any questions, please feel free to contact BCFIRB staff.

Best regards,

A handwritten signature in black ink, appearing to read "Wanda Gorsuch". The signature is stylized and cursive.

Wanda Gorsuch  
Manager, Issues and Planning

Cc: BCFIRB web site