



No. BOG-FIN-02

<b>Title:</b>	<b>POLICY ON SELECTION AND EVALUATION OF EXTERNAL AUDITOR</b>
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<b>CLASSIFICATION:</b>	FINANCE SERVICES
<b>FIRST ADOPTED:</b>	November 1993
<b>AMENDED:</b>	May 1994
	November 25, 2020

## 1. Preamble

1.1. This Policy is drafted and must be applied within the framework of the *General and Vocational Colleges Act* (CQLR, C. C-29) and *An act respecting Contracting by Public Bodies* (CQLR, c. C-65.1) (LCOP), including any amendments and regulations issued thereunder (hereinafter respectively referred to as the “**Colleges Act**” and the “**LCOP**”); it must also be applied within the framework of the College Bylaw Number 10 *Concerning Procurement*.

## 2. Objectives

- 2.1. To ensure that the external audit of the annual financial statements and other related mandates are performed at a professional level, in accordance with the ministerial requirements, and in accordance with audit standards generally recognized by the Chartered Professional Accountants of Canada.
- 2.2. To determine the process for the evaluation of the services rendered by the external auditor.
- 2.3. To select the external auditor to perform professional work of high quality at a competitive price in a reasonable length of time.

## 3. Duration and Periodic Renewal of Mandate

- 3.1. The external auditor’s mandate is for one (1) year. It may be renewed by the Board of Governors, subject to the annual evaluation of the audit as per Article 6 hereof, for a period not exceeding four (4) consecutive fiscal years.

## 4. Calls for Tender

- 4.1. Upon expiry or non-renewal of the external auditor's mandate, the Board of Governors will mandate the Audit Committee to ensure that:
  - 4.1.1. the College develops the terms of reference for a call for tender;
  - 4.1.2. the College issues a call for tender for accredited, recognized firms of auditors who are members of a professional corporation of accountants governed by the Professional Code (CQLR, c. C-26);
  - 4.1.3. the call for tender process is done in accordance with Bylaw Number 10 *Concerning Procurement*, the LCOP, and the Colleges Act.
- 4.2. In the selection of an external auditor, the College shall establish criteria in line with its needs, which may include, but is not limited to, the following:
  - 4.2.1. knowledge of the statutes and regulations applicable to colleges of general and vocational education;
  - 4.2.2. ability to meet deadlines and to take College constraints into account in performing the overall activities relating to the audit;
  - 4.2.3. quality and quantity of human resources offered to perform the assigned mandate;
  - 4.2.4. work methods and value of samplings used;
  - 4.2.5. aptness and preciseness of the submitted bid.
- 4.3. Tendering documentation will be prepared by the Purchasing Department in consultation with members of the Audit Committee and Finance management.

## 5. Appointment of external Auditor

- 5.1. The Board of Governors will approve the external auditor selected following the tender process or in the case of an annual renewal following an evaluation completed as per Article 6. The approval of the appointment of the external auditor will be completed no later than March 31 of each year.

## 6. Evaluation for the Renewal of the External Auditor

- 6.1. In consultation with the Director General and the Director of Finance, the Audit Committee will evaluate the external auditor's work and recommend to the Board of Governors the renewal or non-renewal of the external auditor's mandate; this shall occur annually, except in the case of a call for tender as per Article 4 hereof.
- 6.2. A renewal of mandate is only possible if foreseen in the original contract and a resolution for renewal is approved by the Board of Governors.
- 6.3. The following is a non-exhaustive list of the criteria to be used to evaluate the performance of the external auditor:
  - 6.3.1. their knowledge of the laws and regulations governing the College;
  - 6.3.2. the quality, competence, and quantity of human resources available during the mandate;
  - 6.3.3. their ability to respect the established schedule of the mandate and the flexibility to adapt to unexpected changes;
  - 6.3.4. their working methods and assessment of the scope of the audit;
  - 6.3.5. the availability of the partner in charge to satisfy requests from the Audit Committee;
  - 6.3.6. clarity of presentations and quality of reports produced.

## 7. Restrictions

- 7.1. Pursuant to Section 26.4 of the Colleges Act, the following may not act as the College's auditor:
  - 7.1.1. a member of the College's Board of Governors;
  - 7.1.2. a College employee;
  - 7.1.3. a partner of a person referred to in item 7.1.1 or 7.1.2;
  - 7.1.4. a person who, during the fiscal year for which the audit is conducted, has, directly or indirectly, personally or through his partner, any share or interest in or in relation to, or commission arising from, a contract with the College, or derives any benefit from such a contract, unless their connection with the contract arises from the practice of their profession as an auditor.