

- Motion put forward at our General Meeting, March 4, 2018, in Surrey, BC -

Changes to the Bylaws moved by Craig McMorland (Port Moody Club), seconded by Christine Laurin (Creative Jewellers Guild)

Motion to change paragraph 53 **from:**

The books and accounts of the Society shall be reviewed and/or audited annually by the Auditor or auditors of the Society. The auditor or auditors of the Society shall be appointed at each general meeting to hold office until the next annual general meeting, and any vacancy in the office of auditor may be filled by the Board of Directors.

To:

The books and accounts of the Society shall be reviewed ~~and/or audited~~ annually by ~~the Auditor or auditors of the Society.~~ an accounting firm retained by the Society or by an independent individual appointed by the Society. ~~The auditor or auditors of the Society shall be appointed at each general meeting to hold office until the next annual general meeting, and any vacancy in the office of auditor may be filled by the Board of Directors.~~

The rationale behind this change: The current wording of our bylaws triggers certain sections of the BC Societies Act. The Act has specific requirements for financial statements, when certain terms are used in bylaws. The Act requires hiring an auditor with a professional designation such as CPA or CA, if we use the term "audit" in our bylaws. In the past, we have had our books reviewed, for a small fee, by various people. We have not conducted a full "audit" as defined in the Act and in the accounting profession.

Upon further research, hiring a person with these qualifications, to perform a full audit could cost upwards \$5,000. We want to continue to ensure that our Society has sound financial statements, while at the same time not violating the Act.

For reference, the relevant section of the BC Societies Act is below:

Specifically, in the Act, Part 9, Section 111(1) (a)

111 (1) A society

- (a) must have an auditor if the society is required to have an auditor by the society's bylaws or under the regulations, and
- (b) may have an auditor in any other case.

AND

Section 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, a provincial or territorial institute or order of chartered accountants, or a provincial or territorial organization of chartered professional accountants, within Canada, 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.

In order to avoid this significant cost, we are proposing to change the wording of our bylaws so that we will still have our books independently reviewed, but without the requirement in the Act of hiring an expensive accredited auditor or firm.

Voting on the above change to be made at our Annual General Meeting, July 14, 2018, upstairs, Choices Food Market, Kelowna BC

Addendum to the above proposal

It has been brought to our attention that the last part of P46 in the BCLS Bylaws regarding duties of the Treasurer, needs a slight wording revision to bring it in line with the above proposal to remove reference to audit/auditor:

From:

It shall be the duty of the Treasurer:

The Treasurer shall at all times and from time to time as requested, submit to the auditor of the Society all books, records and documents pertaining to the financial position of the Society in order that the auditor may have the fullest possible information or the purpose of making a financial review or audit of the affairs of the Society.

To:

It shall be the duty of the Treasurer:

The Treasurer shall at all times and from time to time as requested, submit ~~(to the auditor of the Society)~~ all books, records and documents pertaining to the financial position of the Society **for review** in order that the ~~(auditor)~~ **reviewer** may have the fullest possible information or the purpose of making a financial review ~~or audit~~ of the affairs of the Society.