

HUU-AY-AHT FIRST NATIONS



**Report of Executive Council on
Amendments to the *Financial
Administration Act* regarding Auditor
Qualifications**

**For consideration at the session of the
Huu-ay-aht First Nations People's Assembly
on November 21, 2015**

Prepared on behalf of Executive Council
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Date: November 13, 2015

BACKGROUND

Professional designations for accountants in British Columbia were changed this summer. The new designation is at odds with the qualifications required for an auditor to be appointed under the *Financial Administration Act*.

DISCUSSION

The *Financial Administration Act*, HFNA 7/2011, s. 35(1) requires that:

An auditor must be a member of

- (a) a provincial or territorial Institute/Order of Chartered Accountants within Canada, or
- (b) the Certified General Accountants Association of British Columbia.

The *Chartered Professional Accountants Act* is BC legislation that came into force earlier this year. Under this new act, the Certified General Accountants Association of British Columbia, the Certified Management Accountants Society of British Columbia and the Institute of Chartered Accountants of British Columbia are amalgamated and continued as a corporation to be known as the Organization of Chartered Professional Accountants of British Columbia.

Given that the organizations referred to in the *Financial Administration Act* no longer exist, it is not technically possible to comply with both the requirements that an auditor be appointed and that the auditor meet the qualifications set out in s. 35(1).

Amendments to the *Financial Administration Act* require the approval of the People's Assembly.

OPTIONS AND IMPLICATIONS

The People's Assembly may choose to approve or not approve the attached proposed amendments. Until the amendments to the *Financial Administration Act* are approved by the People's Assembly and enacted by the Legislature it will not be possible for the Nation to fully comply with the *Financial Administration Act*.

RECOMMENDATION

Executive Council recommends that the People's Assembly approve the proposed amendments to the *Financial Administration Act*.



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ANCIENT SPIRIT, MODERN MIND

**PROPOSED AMENDMENTS TO THE
FINANCIAL ADMINISTRATION ACT,
HFNA 7/2011**

Re: Auditor Qualifications

For consideration at the
2015 People's Assembly

November 20-22, 2015

Proposed Amendment

The *Financial Administration Act*, HFNA 7/2011 is amended *by striking out section 35(1) and substituting the following:*

- “35 (1) An auditor must be a member of the Organization of Chartered Professional Accountants of British Columbia.”

Effects of Proposed Amendments

Once amended, the relevant portion of the *Financial Administration Act*, HFNA 7/2011 will read as follows (additions are underlined, deletions are ~~crossed out~~):

Auditor qualifications

- 35 (1) An auditor must be a member of the Organization of Chartered Professional Accountants of British Columbia.
- ~~(1) An auditor must be a member of~~
- ~~(a) a provincial or territorial Institute/Ordre of Chartered Accountants within Canada, or~~
- ~~(b) the Certified General Accountants Association of British Columbia.~~
- (2) If an auditor ceases to meet the qualifications under subsection (1), the auditor must resign immediately.
- (3) The auditor must be independent of Huu-ay-aht citizens, public officers, government and other Huu-ay-aht bodies.
- (4) If an auditor ceases to be independent, the auditor must immediately
- (a) advise the Executive Director in writing of the circumstances, and
- (b) eliminate the circumstances that resulted in a loss of independence or resign as auditor.