



Canadian Institute of Nuclear Physics Institut canadien de physique nucléaire

Financial Review Policy Following Board Input: September 9, 2016

Background:

One of the recommendations by Collins Barrow upon the completion of their audit of the financial years 2008-2014, inclusive, was that the affairs of the CINP are low risk and that effort and expense could be saved by periodically undertaking a “financial review engagement” rather than a full audit of the CINP financial affairs.

Bylaws:

GH has reviewed the CINP bylaws to see if any changes are needed. The original bylaws (approved in 2008 in accordance with the Corporations Act) had the two following sections:

3.A. ANNUAL MEETING

The annual meeting of the Institutional Members shall be held at such place on such day in each year as the Board of Directors may from time to time determine. At the Annual Meeting the report of the Board of Directors and the financial statements and report of the auditors shall be presented and auditors shall be appointed for the ensuing year. The Institutional Members may consider and transact any business which may be transacted at either a special or a general meeting of the Corporation without giving specific notice of any such business.

3.I. AUDITOR

At each annual meeting of Institutional Members, the Institutional Members shall appoint an auditor to audit the accounts of the Corporation for report to the Institutional Members at the next annual meeting. The auditor shall hold office until the next annual meeting provided that the Board of Directors may fill any casual vacancy in the office of the auditor. The remuneration of the auditor shall be fixed by the Board of Directors.

As part of the bylaw changes approved in 2014 to conform with the new Not-For-Profit Corporations Act, section 3.A was simplified to:

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and section 3.I was deleted in its entirety.

Therefore, GH believes that no further changes to the bylaws are needed to implement the suggestion of the auditor.

Annual Meeting of the Institutional Members:

To implement the suggestion of the auditor, the motion presented by the Board at the annual members meeting needs to be modified to avoid the explicit reference to audit. Below is a new prototype text:

1. Motion to waive financial review engagement for fiscal year 201x
 - The Not-For-Profit Corporations (NFP) Act requires members of a corporation to appoint a public accountant at the annual meeting. For soliciting corporations with gross annual revenues equal to or less than \$50,000, the default financial review specified by the NFP Act is a “Financial Review engagement”. Members may also decide, by unanimous vote to not appoint a public accountant, or vote to conduct a full audit. Further information at:
<https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04965.html>
 - At its May xxx, 201x meeting, the CINP Board voted to recommend to the Institutional Members that the financial review engagement be waived this year. The Board's intention is to have an review approximately every five years, as a way to optimize the use of the CINP's Internal Funds while minimizing risk. The last review (a full audit for FY08 -14 inclusive) was completed by Collins Barrow on June 9, 2016. Copies are available at www.cinp.ca under the Governance tab. Motions to waive the financial review were previously passed by the institutional members for FY15, 16. The new motion would apply to FY1x.

This prototype text will be used at future annual meetings of the institutional members.