



County of Wellington  
Wellington and Guelph Housing Services

DIRECTIVE

**DATE: December 15, 2005**

**NUMBER: 2005-06**

This directive applies to housing providers funded under the following social housing programs:

Please note if your program is not checked, this communication is not applicable to your project(s).

√	<b>Provincially Reformed Non-Profit Housing Programs (MNP, PNP &amp; OCHAP)</b>
√	<b>Provincially Reformed Co-operative Housing Programs (Co-ops)</b>
√	<b>Municipal Non-Profit Housing Program (Section 56.1 Pre-1986)</b>
	<b>Local Housing Corporation (LHC)</b>
	<b>Federal Non-Profit Housing Program (Section 56.1 Pre-1986)</b>

**SUBJECT: “Accountant’s Report on Applying Specified Auditing Procedures in Respect of the Annual Information Return”**

**LEGISLATED REFERENCE:** *SHRA (2000), Section 113(2) and Related O.Reg. 339/01*

**BACKGROUND:**

Currently, Housing Providers must submit, within five months of the end of their fiscal year, an annual report package to the Service Manager consisting of the following reports:

- Audited Financial Statements for the fiscal year
- Annual Information Return (AIR)
- Auditor’s Derivative Report
- Auditor’s Report on Financial Information contained in the AIR

In addition, the County of Wellington, as Service Manager, requests that providers submit the Auditor’s Management Letter (if issued) and the Rent Roll for the fiscal year being reconciled.

The Auditor’s Derivative Report and the Auditor’s Report on Financial Information contained in the AIR have been replaced by a new report with an associated appendix. This change is a result of the Canadian Institute of Chartered Accountants’ guideline August 13, 2005, “Special Reports on Regulated Financial Institutions”, which limits the applicability of derivative reporting to regulated financial institutions. The derivative reporting format is therefore not appropriate in the context of an Annual Information Return by social housing providers.

**DIRECTION:**

Replace the Auditor's Derivative Report and the Auditor's Report on Financial Information contained in the AIR with the "Accountant's Report on Applying Specified Auditing Procedures in Respect of the Annual Information Return (Accountant's Report)."

**APPLICATION:**

Effective immediately, all annual report packages must contain the Accountant's Report (sample attached), which includes a letter addressed to the County of Wellington as Service Manager. Appendix A outlines specific procedures to be undertaken by the auditor. Housing Providers must ensure their auditors use the new reporting format.

If you have any questions, please contact Mirela Oltean, Financial Analyst at 824-7822 ext. 426, or Doug Rollins, Housing Programmes Advisor at 824-7822 ext. 416.

Joan Strachan,  
Acting Housing Director

# ACCOUNTANT'S REPORT ON APPLYING SPECIFIED AUDITING PROCEDURES IN RESPECT OF THE ANNUAL INFORMATION RETURN

To the Service Manager:

As specifically agreed, I have performed the auditing procedures described in Appendix A, to assist the Service Manager in assessing \_\_\_\_ (*name of corporation*)'s ("the Corporation") compliance with the Social Housing Reform Act and regulations and the information in the Annual Information Return for the year ended (*date*). This engagement to apply agreed-upon auditing procedures was performed in accordance with standards established by the Canadian Institute of Chartered Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described in Appendix A either for the purpose for which this report has been requested or for any other purpose.

The results of my procedures are documented in Appendix A. My audit of the Corporation's financial statements for the year ended (*date*) was not directed to the information in the Annual Information Return. The procedures in Appendix A do not constitute an audit of the Annual Information Return and, therefore, I express no opinion on the information in the Annual Information Return for the year ended (*date*). Had I performed additional procedures, other matters might have come to my attention that I would have reported to you.

This letter is for use solely by the Service Manager in assessing the Corporation's compliance with the Social Housing Reform Act and regulations and the information in the Annual Information Return, and is not intended to be and should not be used by anyone else or for any other purpose.

CHARTERED ACCOUNTANT

(*City*), Canada  
(*Date*)

## APPENDIX A

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### SPECIFIED AUDITING PROCEDURES ON THE ANNUAL INFORMATION RETURN

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### RESULT OF SPECIFIED AUDITING PROCEDURES ON THE ANNUAL INFORMATION RETURN

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| 1. Obtain the completed Annual Information Return (AIR) from those delegated by the Board of Directors to complete the AIR for the year ending <b>(date)</b> .                    | I obtained the completed Annual Information Return (AIR) from those delegated by the Board of Directors to complete the AIR for the year ending <b>(date)</b> .  |
| 2. Read the management representations requested in the AIR Page 2 and the corresponding responses from the Corporation.  | I read the management representations requested in the AIR Page A2 and the corresponding responses from the Corporation.   |
| 3. Ask the questions on the AIR Page 2 to those delegated by the Board of Directors to complete the AIR for the year ending <b>(date)</b> and comment on any different responses. | I asked the questions on the AIR Page A2 to those delegated by the Board of Directors to complete the AIR for the year ending <b>(date)</b> and found no differences in responses <b>[or alternatively: and found the following differences: (list differences)]</b> . |
| 4. Ask the questions on the AIR Page 2 to a representative of the Board of Directors and comment on any different responses.  | I asked the questions on the AIR Page A2 to a representative of the Board of Directors and found no differences in responses <b>[or alternatively: and found the following differences: (list differences)]</b> .  |
| 5. Agree the underlying financial records of the Corporation to the audited financial statements for the period ending <b>(date)</b> .  | I found no exceptions <b>[or alternatively: I found the following exceptions: (list exceptions)]</b> .   |
| 6. Agree the description of the items and related amounts (Line 10 to Line 95) on Page 3 of the AIR to the underlying financial records of the Corporation.                       | I found no exceptions <b>[or alternatively: I found the following exceptions: (list exceptions)]</b> .   |
| 7. Agree the description of the items and related amounts (Line 105 to Line 199) on Page 4 of the AIR to the underlying financial records of the Corporation.                     | I found no exceptions <b>[or alternatively: I found the following exceptions: (list exceptions)]</b> .   |
| 8. Agree the description of the items and related amounts (Line 201 to Line 299) on Page 5 of the AIR to the underlying financial records of the Corporation.                     | I found no exceptions <b>[or alternatively: I found the following exceptions: (list exceptions)]</b> .   |
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<b>SPECIFIED AUDITING PROCEDURES ON THE ANNUAL INFORMATION RETURN</b>	<b>RESULT OF SPECIFIED AUDITING PROCEDURES ON THE ANNUAL INFORMATION RETURN</b>
9. Agree the description of the items and related amounts (Line 301 to Line 330) on Page 6 of the AIR to the underlying financial records of the Corporation.	I found no exceptions <b>[or alternatively: I found the following exceptions: (list exceptions)]</b> .
10. Agree the description of the items and related amounts (Line 350 to Line 395) on Page 7 of the AIR to the underlying financial records of the Corporation.	I found no exceptions <b>[or alternatively: I found the following exceptions: (list exceptions)]</b> .
11. Agree the description of the items and related amounts (Line 545 to Line 599) on Page 8 of the AIR to the underlying financial records of the Corporation.	I found no exceptions <b>[or alternatively: I found the following exceptions: (list exceptions)]</b> .
12. Agree the description of the items and related amounts (Line 431 to Line 470) on Page 8a of the MNP AIR (if applicable) to the underlying financial records of the Corporation.	I found no exceptions <b>[or alternatively: I found the following exceptions: (list exceptions)]</b> .

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