

Directive # 2005 – 04

Date: September 27, 2005

The policies, procedures and service manager requirements in this Directive are to be implemented by all housing providers in the Region of Durham included under the provisions of the Social Housing Reform Act and its associated Regulations.

Please note: If your housing corporation is not covered by the Social Housing Reform Act, this Directive is for information purposes only.

SUBJECT

Annual Information Return – Requirement for New Accountant's Report

BACKGROUND

In accordance with section 113 of the *Social Housing Reform Act*, housing providers must submit their annual financial reports to the Finance Department of the Region of Durham within five months of the end of their last fiscal year. The annual financial report currently includes:

- Signed audited financial statements for the previous fiscal year
- Signed complete Annual Information Return (AIR)
- Auditor's Report on Financial Information Contained in the AIR
- Auditor's Derivative Report
- Management letter from auditors (if issued)

The Auditor's Derivative Report and the Auditor's Report on Financial Information Contained in the AIR have now been replaced with a new report called the Accountant's Report on Applying Specified Auditing Procedures in Respect of the Annual Information Return (Accountant's Report). A template for the Accountant's Report, including the associated Appendix A is attached.

The new Accountant's Report has been prepared to be in compliance with the Canadian Institute of Chartered Accountants' (CICA) CICA Handbook. Under the CICA guideline AuG-13 the use of derivative reports does not apply to social housing providers but is limited to regulated financial institutions.

ACTION REQUIRED

Effective immediately, housing providers must submit the following information to the Finance Department of the Region of Durham within five months of the end of their last fiscal year:

- Signed audited financial statements for the previous fiscal year
- Signed complete Annual Information Return (AIR)
- Accountant's Report
- Management letter from auditors (if issued).

Housing providers should inform their auditors about this directive and the new Regional requirement for the submission of the Accountant's Report in place of both the Auditor's Report on Financial Information Contained in the AIR and the Auditor's Derivative Report.

If you have any questions, please contact your Senior Financial Analyst.

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