

**City of Kingston**  
**Housing Division**  
**Department of Community Services**  
**216 Ontario Street**  
**Kingston, ON K7L 2Z3**  
**613-546-4291 ext. 1266**



## DIRECTIVE

☐ Legislation/Regulation  
☒ Operational

**DATE: 2005-09-27**  
**NUMBER: 05 - 14**

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The policies and procedures in this Directive are to be implemented by housing providers funded by the Municipality under the following programs:

<input checked="" type="checkbox"/> Public Housing Program	<input checked="" type="checkbox"/> Aboriginal Program
<input checked="" type="checkbox"/> Non-Profit Program	<input type="checkbox"/> Public Housing Rent Supplement Program
<input checked="" type="checkbox"/> Co-Op Program	<input type="checkbox"/> Ontario Community Housing Assistance Program (OCHAP)
<input checked="" type="checkbox"/> Federal Program	<input type="checkbox"/> Community Sponsored Housing Program (CSHP)
<input type="checkbox"/> Social Housing Registry	

\* Please note: If your program is not checked, this Directive doesn't apply to your project.

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### **SUBJECT:**

**Change in reporting procedures for Annual Reporting to the Service Manager**

### **BACKGROUND:**

As required under the Social Housing Reform Act, (2000) section 113 (2) and related regulation O. Reg. 339/01, housing providers submit an annual report package to their respective service managers. The annual report package is comprised of the following:

1. Audited financial statements for the fiscal year.
2. Annual Information Return (AIR).
3. Auditor's Derivative Report
4. Auditor's Report on Financial Information contained in the AIR.

The Auditor's Derivative Report and the Auditor's Report on Financial Information contained in the AIR have been replaced by a new report with its associated appendix, effective immediately. This new report is "Accountant's Report on Applying Specified Auditing Procedures in Respect of the Annual Information Return" (Accountant's Report). A copy of this Accountant's Report is attached.

This change is a result of the Canadian Institute of Chartered Accountants' guideline August 13, "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.

**ACTION TO BE TAKEN:**

Non-profit and co-operative providers will use the Accountant's Report in preparing their annual report package to the service manager.

**REFERENCE:**

SHB Notification – Release 05-02

If you have any questions, please contact Lawrence Cleary, Supervisor of Finance

Greg Grange  
Manager, Social Housing Division

c.c. Lance Thurston, Commissioner, Department of Community Services  
Susan Beckel/Marian VanBruinessen, County of Frontenac  
Supervisors, Housing Division  
Alan McLeod, Legal Services

Attachments:

- Template for Accountant's Report
- Accountant's Report – Appendix A

# 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

### SPECIFIED AUDITING PROCEDURES ON THE ANNUAL INFORMATION RETURN

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

- |  |  |
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| <ol style="list-style-type: none"><li>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>.</li><li>2. Read the management representations requested in the AIR Page A2 and the corresponding responses from the Corporation.</li><li>3. Ask 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 comment on any different responses.</li><li>4. Ask the questions on the AIR Page A2 to a representative of the Board of Directors and comment on any different responses.</li><li>5. Agree the underlying financial records of the Corporation to the audited financial statements for the period ending <b>(date)</b>.</li><li>6. Agree the description of the items and related amounts (Line 310 to Line 395) on Page A3 of the AIR to the underlying financial records of the Corporation.</li><li>7. Agree the description of the items and related amounts (Line 501 to Line 599) on Page A4 of the AIR to the underlying financial records of the Corporation.</li><li>8. Agree the description of the items and related amounts (Line 610 to Line 629) on Page A5 of the AIR to the underlying financial records of the Corporation.</li><li>9. Agree the description of the items and related amounts (Line 651 to Line 699) on Page A6 of the AIR to the underlying financial records of the Corporation.</li></ol> | <p>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></p> <p>I read the management representations requested in the AIR Page A2 and the corresponding responses from the Corporation.</p> <p>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>.</p> <p>I asked the questions and the AIR Page A2 to a representative of the Board of Directors and found no difference in responses <b>{or alternatively: and found the following differences: (list differences)}</b>.</p> <p>I found no exceptions <b>{or alternatively: I found the following exceptions: (list exceptions)}</b>.</p> <p>I found no exceptions <b>{or alternatively: I found the following exceptions: (list exceptions)}</b>.</p> <p>I found no exceptions <b>{or alternatively: I found the following exceptions: (list exceptions)}</b>.</p> <p>I found no exceptions <b>{or alternatively: I found the following exceptions: (list exceptions)}</b>.</p> <p>I found no exceptions <b>{or alternatively: I found the following exceptions: (list exceptions)}</b>.</p> |
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**APPENDIX A (continued)**

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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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10. Agree the description of the items and related amounts (Line xxx to Line xxx) on Page B1 of the AIR to the underlying financial records of the Corporation.

I found no exceptions **{or alternatively: I found the following exceptions: (list exceptions)}**.

11. Agree the description of the items and related amounts (Line xxx to Line xxx) on Page B2 of the AIR to the underlying financial records of the Corporation.

I found no exceptions **{or alternatively: I found the following exceptions: (list exceptions)}**.

12. Agree the description of the items and related amounts (Line xxx to Line xxx) on Page B3 of the AIR to the underlying financial records of the Corporation.

I found no exceptions **{or alternatively: I found the following exceptions: (list exceptions)}**.

13. Agree the description of the items and related amounts (Line 1501 to Line 1588) on Page B4 of the AIR to the underlying financial records of the Corporation.

I found no exceptions **{or alternatively: I found the following exceptions: (list exceptions)}**.