CHANGES TO THE STANDARD AUDIT REPORT

Question: How will recent changes to auditing standards impact the AG's reporting on future Public Accounts audits?

SUGGESTED RESPONSE

- **The recent changes to Canadian Auditing Standards do not directly affect the Province in its preparation of the Public Accounts. The changes impact the structure and content of the Auditor General's future audit opinion letter.**

CURRENT STATUS

- A key change to the opinion letter that is being proposed relates to a new paragraph or section that enables the auditor to communicate key audit matters that, in the their professional judgement, were of most significance to the audit of the financial statements, such as:
    - Areas identified as significant risks or involved significant management or auditor judgement;
    - Areas in which the auditor encountered significant difficulty; and
    - Significant deficiency in internal controls
- The Auditor General currently communicates these matters through Chapter 2 of its Annual Report.
- The new opinion letter is expected to be used for the audit of the province's March 31, 2017 consolidated financial statements.

BACKGROUND

- The Auditor General's Annual Report (Chapter 2) report is typically published in December, months after the completion of the Public Accounts audit. statements.

- The additional Matter of Emphasis paragraph included in the expanded auditor's report is something that the Public will see at the same time as the opinion paragraph which reflects the AG's opinion on whether the financial results are fairly stated.

Prepared By: Rob Scheifley
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