Message

From: Jordan Penic [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=7D23BCD450594583BB40B447B35485DA-JORDAN PENI]
Sent: 2018-04-07 1:55:07 PM
To: Susan Nicholson [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f668e601bd2b4865a5c31dca531047c8-Susan Nicho]
CC: Anthy Lovachis [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=42a8bb25d4b341b6aa9c16b1ddbc0790-Anthy Lovac]
Subject: RE: Question from Globe for Review

Thanks Susan. Do you know where I could find whether the signature of the Board is a requirement of audit standards or not? I have also updated the response to reflect your comment about the signed management rep letter.

From: Susan Nicholson
Sent: April 06, 2018 5:08 PM
To: Jordan Penic
Cc: Anthy Lovachis
Subject: Re: Question from Globe for Review

Hi Jordan, I am not certain if the signature of board on the financial statements is a requirement of the audit standards or not. I also believe the signed management rep letter is a requirement of audit standards and not of PSAS. Let me know if you wish to discuss further.

Sent from my iPhone

On Apr 6, 2018, at 3:21 PM, Jordan Penic <jordan.penic@ieso.ca> wrote:

> Hi Susan,
>
> I have written a response below to the question posed by the Globe. Can you please let me know if you think this is technically accurate? There is also a remaining question that I have highlighted and am hoping you can address it.
>
> We're hoping to share this afternoon. Does Kim need to review?
>
> Let me know if you'd like to discuss.
>
> Cheers,
>
> Jordan
>
> **Q: For publicly-traded companies, there are certification requirements in Canada. For example, the CEO and CFO certify that the issuer's financial statements contain no misrepresentation, that the financial statements fairly present the financial condition of the issuer, and so on. Do those requirements apply to the IESO's financial statements? If not, what responsibilities are attached to signing off on the books of a government agency?**
>
> The IESO is required to have its financial statements audited on a yearly basis as outlined in the *Electricity Act, 1998*. When IESO engages its auditor as required under the Act, it signs a management representation letter meeting accounting audit standards. This letter identifies that management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board Chair and the Chair of the Audit Committee sign the IESO financial statements (NTD: Is this a requirements somewhere?).

As a best practice and to increase transparency for its financial statement users, the IESO also includes a Management Report in its financial statements that is signed by the CEO and CFO. This letter essentially summarizes the statements made in the management representation letter and identifies the independent third party auditor. This can be found on page 8 of our most recent Annual Report.