



OFFICE OF THE  
**Auditor General**  
of British Columbia

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March 9, 2015

Roger Hébert  
Chairperson,  
Board of Education  
School District No. 93 (Conseil Scolaire Francophone)  
100-13511 Commerce Parkway  
Richmond, BC V6V 2J8

Dear Mr. Hébert:

**Re: Letter of engagement between the Office of the Auditor General and School District No. 93 (Conseil Scolaire Francophone) for the fiscal year ending June 30, 2015**

The purpose of this letter is to confirm our common understanding of the terms of the audit engagement.

In accordance with section 10(3)(b) of the *Auditor General Act*, we have been appointed to be the auditor of your organization. Pursuant to section 10(9), the Select Standing Committee on the Public Accounts approved the Financial Statement Audit Coverage Plan, which includes the audit of the financial statements of School District No. 93 (Conseil Scolaire Francophone) (“the entity” or “School District”), which comprise the statement of financial position as at June 30, 2015, and the statements of operations, changes in net assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Our audit will be conducted with the objective of our expressing an opinion on whether the School District’s financial statements, prepared by management with oversight of the Board of Education, are, in all material respects, in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

## **OUR RESPONSIBILITIES**

### ***Annual financial statements audit***

We will perform our audit of the entity’s financial statements in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The scope of our audit will include obtaining, to the extent necessary to effectively carry out our work, an understanding of the School District and its business environment, the business risks it faces, how the School District manages those risks, and its overall control environment.

### ***Risk assessment***

In making our risk assessments, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of financial statements that we have identified during the audit.

### ***Fraud***

In planning and conducting the audit, we consider the possibility that fraud or error, if sufficiently material, may affect our opinion on the financial statements. Accordingly, we maintain an attitude of professional scepticism throughout the audit, recognizing the possibility that a material misstatement due to fraud could exist. Because of the nature of fraud, which could include attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. Furthermore, while effective internal control reduces the likelihood that misstatements will occur and remain undetected, it does not eliminate that possibility. For these reasons, we cannot guarantee that fraud, error, and illegal acts, if present, will be detected.

### ***Communication of matters***

We will inform management and, if appropriate or necessary, the Board of Education of the following matters that we may have identified during the course of our audit:

- misstatements, resulting from error (other than trivial errors), and the request to correct those misstatements;
- fraud or any information obtained that indicates that a fraud may exist;
- any evidence obtained that indicates non-compliance, or suspected non-compliance, with laws and regulations;
- significant deficiencies in the design or implementation of internal control to prevent and detect fraud or error; and



- related party transactions identified by us that are significant and outside the normal course of operations.

However, audits do not usually identify all matters that may be of interest to management in carrying out its responsibilities. The type and significance of the matter to be communicated will determine the level of management to whom the communication is directed.

### ***Reporting***

In accordance with section 11(3) of the *Auditor General Act*, we will report on the financial statements to:

- a) the Board of Education; and
- b) the minister responsible.

### ***Content of auditor's report***

Unless unanticipated difficulties are encountered, our report will be substantially in the form provided in Appendix A.

If we conclude that a modification to our opinion on the financial statements is necessary, we will discuss the reasons with you in advance.

### ***Reproduction of auditor's report***

If reproduction or publication of our report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either the full or summarized financial statements that we have audited.

We are not required to read the information contained in your website, or to consider the consistency of other information on the electronic site with the original document.

### ***Reliance by third parties***

The services will not be planned or conducted in contemplation of reliance by any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third



party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly, in connection with a specific transaction.

## **MANAGEMENT'S RESPONSIBILITIES**

Our audit will be conducted on the premise that management and, where appropriate, the Board of Education, acknowledge and understand that they have the following responsibilities.

### ***Responsibility for financial statements and internal control***

You are responsible for the preparation of the financial statements and information referred to above. You are also responsible for establishing and maintaining an effective system of internal control over financial reporting to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In this regard, you are responsible for establishing policies and procedures that ensure financial information is prepared in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, including any required note disclosures.

### ***Correction of errors***

You are responsible for adjusting the financial statements to correct material misstatements and for confirming to us that the total of all uncorrected misstatements identified by us during our audit are immaterial, both individually and in total, to the financial statements taken as a whole. In addition, we expect management will correct all known non-trivial errors.

### ***Prevention and detection of fraud***

You are also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us

- c) of the risk that the financial statements may be materially misstated as a result of fraud;
- d) about all known or suspected fraud affecting you involving (i) management, (ii) employees who have significant roles in internal control over financial reporting and (iii) others where the fraud could have a non-trivial effect on the financial statements; and
- e) of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, investors or others.



***Related parties***

You are responsible for disclosing to us the identity of each related party and all the related party relationships and transactions of which you are aware and, for providing to us any updates that occur during the course of this engagement

***Subsequent events***

You are responsible for informing us of subsequent events that may affect the financial statements of which you may become aware up to the date the financial statements are issued.

***Laws, regulations, and other authorities***

You are responsible for identifying and ensuring that you comply with the laws, regulations and other authorities applicable to your organization and its activities. You will make available to us information relating to any illegal or possibly illegal acts, and all facts related thereto, and will provide information to us relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements.

***Providing information on a timely basis***

You are responsible for making available to us, on a timely basis, all of your original accounting records and related information relevant to the preparation of the financial statements, additional information that we may request from you for the purposes of our audit, and unrestricted access to your personnel who we may determine necessary to obtain evidence necessary to support our audit of the financial statements.

***Management representation letter***

You will provide us with written representations that encompass representations made to us during the audit covering the financial statements. Management's representations are integral to our audit evidence.

## **OTHER ENGAGEMENT MATTERS**

***Audit fee and the terms and conditions supporting the fee***

For this engagement, our fee will be \$36,000 plus applicable taxes and is due when rendered. This fee takes into account the agreed-on level of preparation and assistance we are to receive from your organization. If significant additional time is necessary, we will discuss the reasons with you and agree on a revised fee estimate before we incur additional costs.



### ***Engagement team leaders***

This engagement will be led by:

Bill Gilhooly, CPA, CA, PMP, Assistant Auditor General, who will be responsible for assuring the overall quality, value and timeliness of our services;

Megan Cimaglia, CPA, CA, CFE, Engagement Leader, who will be responsible for managing the delivery of our services;

David Lau, CPA, CA, CISA, GAWN, IT Audit Director, who will be responsible for providing technical advice and expertise on IT systems to assist in our delivery of services; and

Vivien Li, CPA, CA, CIA, Engagement Manager, who will serve as the on-the-job manager.

### ***Confidentiality***

In accordance with section 9 of the *Auditor General Act*, our staff will keep in confidence all information obtained in the performance of the audit. The information will not be communicated to others except as permitted under the *Auditor General Act*.

All working papers and files, other materials, reports and work created, developed or performed by us during the audit are property of the Office of the Auditor General and are not subject to the *Freedom of Information and Protection of Privacy Act*.

### ***File inspections***

Audit files may be reviewed periodically by audit practice inspectors who are independent from our office to ensure the audit files adhere to audit standards. File reviewers are required to maintain confidentiality of all information reviewed in the exercise of their duties.

### ***Quality assurance***

As part of our process of assessing the quality of our services, you may receive surveys or questionnaires from us. We appreciate the attention given to these surveys and questionnaires and value your feedback.

### ***Other examinations***

It is part of the Auditor General's mandate to conduct audits as the Auditor General considers advisable. In accordance with section 11(5) of the *Auditor General Act*, we may conduct further examinations that we consider advisable after our initial audit work in your entity. This may include us using any information we gathered as part of this engagement for any further examinations.



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March 9, 2015  
Roger Hébert

If these terms are acceptable, please return a signed copy of this letter to [auditoperations@bcauditor.com](mailto:auditoperations@bcauditor.com). We shall be pleased to discuss this letter with you at any time.

Yours truly,



Bill Gilhooly, CPA, CA, PMP  
Assistant Auditor General

MC/mr  
Enclosure



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On behalf of School District No. 93 (Conseil Scolaire Francophone), I acknowledge and agree to the services and terms as set out in this letter.



\_\_\_\_\_  
Roger Hébert  
Chairperson, Board of Education

August 14/2015  
Date



\_\_\_\_\_  
Sylvain Allison  
Secretary-Treasurer

August 14/2015  
Date





## INDEPENDENT AUDITOR'S REPORT

*To the Members of the Board of Education of School District No.93 (Conseil Scolaire Francophone), and  
To the Minister of Education, Province of British Columbia*

I have audited the accompanying financial statements of School District No.93 (Conseil Scolaire Francophone), which comprise the statement of financial position as at June 30, 2015, and the statement of operations, changes in net financial assets (debt), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation of these financial statements in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, 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.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

In my view, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Opinion***

In my opinion, the financial statements of School District No.93 (Conseil Scolaire Francophone) for the year ended June 30, 2015, are prepared, in all material respects, in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.



***Emphasis of Matter***

Without modifying my opinion, I draw attention to Note 2a to the financial statements which discloses that the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia are in accordance with Canadian public sector accounting standards except in regard to the accounting treatment of government transfers. Note 2a to the financial statements discloses the impact of these differences.

***Other Matters***

The comparative figures as at June 30, 2014, and for the year then ended, were reported on by a firm of Chartered Accountants who expressed an opinion without reservation in their report dated September 22, 2014.

*Victoria, British Columbia*  
[date]

Russ Jones, CPA, FCA  
Deputy Auditor General

