

Section 9100
Specified Auditing Procedures on the School Division Financial Information
As at March 31, 2012

INTRODUCTION:

The purpose of this document is to provide guidance to the public accountants engaged to report on the results of applying specified audit procedures on the financial information of the school divisions for the year ended March 31, 2012. The specified procedures will be used by the Office of the Auditor General (OAG) in its role as group auditor of the Summary Financial Statements (SFS). The financial information will be provided to the Department of Education and will be consolidated into the SFS for the Province of Manitoba for the year ended March 31, 2012. As group auditor for the SFS, the OAG will use the specified procedures as audit evidence in drawing conclusions on which to base the auditors' opinion.

Your engagement with the school division will be carried out under Section 9100 of the Assurance Standards Handbook of the Canadian Institute of Chartered Accountants ("CICA") for reports on the results of applying specified auditing procedures on financial information other than financial statements. Please clarify in your engagement letter with the school division that your report on the specified auditing procedures performed does not constitute an audit and therefore you will not be expressing an audit opinion.

SCOPE:

The scope of the specified procedures was determined to allow the OAG to use that work in forming an audit opinion on the SFS. The materiality and audit risk parameters used by the OAG are consistent with those followed by other legislative auditors in Canada.

You will be required to communicate misstatements resulting from error, other than trivial errors, whether or not the error has been corrected. You will inform us of any fraud, suspected fraud, illegal acts or possibly illegal acts that come to your attention by June 1, 2012.

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ACCOUNTANT'S REPORT:

The following is an example of an accountant's report on the results of applying specified audit procedures on the school division's financial information at March 31, 2012. To allow sufficient time to audit the SFS, the OAG requires the accountant's report by June 1, 2012.

To: The Auditor General of Manitoba

Re: School Division

As specifically agreed, I have performed the following procedures in connection with the School Division's financial information as at March 31, 2012:

[list of procedures]

As a result of applying the above procedures, I have found [no/the following] exceptions [list of exceptions]. However these procedures do not constitute an audit and I therefore express no opinion on the School Division's financial information for the year ended March 31, 2012.

It is understood that this report is to be used solely for the consolidation of the School Division's financial information into the Consolidated Financial Statements for the Province of Manitoba for the year ended March 31, 2012. This report is not to be referred to or distributed to any person outside the Office of the Auditor General, the Departments of Finance, Education, Citizenship and Youth, and the School Division.

SPECIFIED AUDIT PROCEDURES:

There are two sets of specified audit procedures. The "Comprehensive" set of procedures will include general audit procedures and procedures on all the material balances included in the financial information.

The "Limited" set of procedures will also include general audit procedures, but procedures on balances will be limited to cash and cash equivalents, and tangible capital assets. Specified procedures on cash are necessary because it is considered to be at a higher risk for misstatement and only a relatively low level of assurance could be obtained from analytical procedures. Specified procedures on tangible capital assets are necessary because it is the largest asset class consolidated into the Province's financial statements.

The school divisions have been segregated into three groups based on their total operating expenses. The grouping is reviewed on an annual basis and adjusted when necessary. There have been no adjustments to the grouping from the prior year.

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Group “A” is comprised of the 13 largest school divisions. The “Comprehensive” set of specified procedures will be used every year for the Group “A” school divisions.

- Winnipeg
- River East Transcona
- Louis Riel
- Pembina Trails
- Frontier
- St. James-Assiniboia
- Seven Oaks
- Brandon
- Division Scolaire Franco-Manitobain
- Sunrise
- Hanover
- Lord Selkirk
- Mystery Lake

Group “B” is comprised of the 13 next largest school divisions. The “Comprehensive” set of procedures will be used for Group “B” schools divisions on a rotational basis. Otherwise, the “Limited” set of specified procedures will be used.

- Interlake (2011)
- Prairie Rose (2011)
- Southwest Horizon (2011)
- Mountain View (2012)
- Prairie Spirit (2012)
- Red River Valley (2012)
- Swan Valley (2012)
- Border Land (2013)
- Park West (2013)
- Seine River (2013)
- Portage La Prairie (2014)
- Garden Valley (2014)
- Rolling River (2014)

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Group “C” is comprised of the 12 smallest school divisions. The “Limited” set of procedures will be used every year for the Group “C” school divisions.

- Kelsey
- Evergreen
- Fort La Bosse
- Beautiful Plains
- Lakeshore
- Flin Flon
- Western
- Pine Creek
- Turtle Mountain
- Turtle River
- Winnipeg Technical College
- Whiteshell

The “Comprehensive” and “Limited” set of specified procedures are documented on Appendix I and Appendix II respectively.