



# Health Sciences Association of British Columbia

2023 Audit Findings Report

Report to the Finance Committee

Year Ended December 31, 2023

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# Overview

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We are pleased to submit to you this Audit Findings Report (the "Report") for discussion of our audit of the financial statements of Health Sciences Association of British Columbia (the "Association") as at December 31, 2023 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of the Finance Committee.

As auditors, we report to the members on the results of our examination of the financial statements of the Association as at and for the year ended December 31, 2023. The purpose of this Report is to assist you, as members of the Finance Committee, in your review of the results of our audit.

This Report is intended solely for the information and use of the Finance Committee and management and should not be distributed to or used by any other parties than these specified parties.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

## Engagement Status

We have substantially completed our audit of the financial statements of the Association which has been carried out in accordance with Canadian generally accepted auditing standards and are prepared to sign our Independent Auditor's Report subsequent to completion of the following procedures:

- Receipt of the signed management representation letter;
- Discussion of subsequent events with the Finance Committee;
- the Finance Committee review and approval of the financial statements.

No significant limitations were placed on the scope or timing of our audit. All information and supporting documents that were required by our audit team were provided to us on-time and in good order.

## Independent Auditor's Report

We expect to have the above procedures completed and to release our Independent Auditor's Report in March, pending approval of the audited financial statements by the Finance Committee and Board of Directors.

Unless unforeseen complications arise, our Independent Auditor's Report will provide unmodified opinion to the members of the Association. A draft copy of our proposed Independent Auditor's Report has been included with this report. The matters disclosed in the Independent Auditor's Report are discussed further in the relevant sections of the Report.

# Audit Reporting Matters

Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the financial statements considered separately.

## Significant Audit, Accounting and Reporting Matters

Area		Comments
	<b>Changes from Audit Plan</b>	There were no deviations from the original Audit Plan.
	<b>Final Materiality</b>	Final materiality used for our audit was \$819,000 for December 31, 2023, and \$720,000 for December 31, 2022. Materiality is determined using a percentage of annual Dues Revenue in accordance with Canadian Audit Standards.
	<b>Identified or Suspected Fraud</b>	While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected fraud, came to our attention in the course of our audit.
	<b>Identified or Suspected Non-Compliance with Laws and Regulations</b>	Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the financial statements.
	<b>Matters Arising in Connection with Related Parties</b>	No significant matters arose during the course of our audit in connection with related parties of the Association.
	<b>Going Concern</b>	No events or conditions were identified that may cast significant doubt on the entity's ability to continue as a going concern.

Area		Comments
	<b>Auditor's Views of Significant Accounting Practices, Accounting Policies and Accounting Estimates</b>	<p>The application of Canadian accounting standards for not-for-profit organizations allows and requires the Association to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.</p> <p>The accounting policies used by the Association are appropriate and have been consistently applied.</p>
	<b>Financial Statement Disclosures</b>	The disclosures made in the notes to the financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the financial statements.
	<b>Significant Deficiencies in Internal Control</b>	While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention.
	<b>Matters Arising From Discussions with Management</b>	There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.

## Significant Risk Areas and Responses

Significant Risk Area	Response and Conclusion
<p><b>Management override of internal controls</b></p> <p>As required under the professional standards, there is a presumed risk of management override of internal controls. This is a non-rebuttable fraud risk that is present in all audit engagements.</p>	<p>We performed substantive testing over journal entries that meet our high risk criteria.</p> <p>We reviewed any significant or unusual transactions recorded during the year and assessed for reasonableness and business rational.</p> <p>We incorporated an element of unpredictability into our audit procedures.</p> <p>We noted no issues related to management override of controls.</p>

## Other Areas

Area	Comments
<b>Auditor Independence</b>	We confirm to the Finance Committee that we are independent of the Association. Our letter to the Finance Committee discussing our independence is included as part of the additional materials attached to this report.
<b>Management Representations</b>	We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit.
<b>Summary of Significant Differences</b>	One difference was identified and discussed with management with respect to the December 31, 2023 financial statements. A summary of this difference will be included with the final package and is consistent with items noted in the prior year. This difference has not resulted in any modifications to our audit report.

We appreciate having the opportunity to meet with you and respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Sincerely,

*MNP LLP*

Chartered Professional Accountants

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March 6, 2024

The Finance Committee  
Health Sciences Association of British Columbia  
180 East Columbia Street  
New Westminster, BC V3L 0G7

Dear Committee Members:

We have been engaged to audit the financial statements of Health Sciences Association of British Columbia (the "Association") as at December 31, 2023 and for the year then ended.

CAS 260 *Communication With Those Charged With Governance* requires that we communicate with you matters that are significant to our engagement. One such matter is relationships between the Association and its related entities or persons in financial reporting oversight roles at the Association and MNP LLP and any affiliates ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, the Standard requires us to consider relevant rules and related interpretations prescribed by the appropriate professional accounting body and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client or a related entity;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client or a related entity;
- (d) Economic dependence on a client; and
- (e) Provision of non-assurance services in addition to the audit engagement.

We are not aware of any relationship between the Association and MNP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from January 1, 2023 to March 6, 2024.

We hereby confirm that MNP is independent with respect to the Association within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia as of March 6, 2024.

This report is intended solely for the use of The Finance Committee, management and others within the Association and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you at our upcoming meeting. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Sincerely,



**Chartered Professional Accountants**