

Q&A

Questions and Answers about the Annual Information Return for Auditors

Why did the Agency develop an Annual Information Return (AIR)?

The Agency developed an annual information return to

- collect financial data with which to rate co-ops' risk levels, and
- monitor their compliance with operating agreements.

The AIR restates the information in the financial statements in a standard format that will allow the Agency to conduct various electronic tests that will determine the degree of financial risk a co-op represents for CMHC. The representations in the AIR will allow the Agency to identify whether a co-op is compliance with its CMHC operating agreement.

Why is the Agency asking the auditor to file the AIR?

As the information in the AIR is mainly financial, the auditor is already familiar with it from his or her annual audit of the co-op's financial records. Filling out the AIR requires financial training that is not normally found among co-op directors or managers.

In addition, the Agency needs the information in electronic format in order to conduct the risk and compliance tests. It would not be possible for all co-operatives to file a web-based report, but all auditors can do so.

How does the AIR benefit the co-op?

Co-operatives benefit from the AIR because it allows for better analysis of a co-op's situation.

The AIR filing also enables the Agency to send co-ops reports showing how their results compare to those of similar co-ops. Over time, the Agency has been able to identify best practices that can be shared with all co-operatives in our portfolio.

What is the deadline for filing the AIR?

The AIR is due four months after the end of the co-op's fiscal year.

How do I file the AIR?

The AIR is filed via the Internet. The Agency has given you a user name and password that will allow you to access a web-based AIR form.

Does the AIR replace the audited financial statements and auditor's letter?

No. The co-op still sends in its audited financial statements and the auditor's letter annually. They now go to the Agency office where the co-op's relationship manager is based.

Does the co-op still have to fill out an Annual Project Data Report (APDR – Section 95 co-ops only)?

The AIR has replaced the Annual Project Data Report for Section 95 co-ops. The Agency provides several versions of a separate rent-geared-to-income reconciliation spreadsheet with a breakdown of the income-tested assistance used by the co-operative during the year.

What if the co-op's financial statements have a different presentation than the AIR?

As the financial statements belong to the co-op, it is up to each one's board to decide on format and presentation, often with advice from the auditor. The Agency cannot require a specific format for the audited financial statements; however, auditors may want to review the co-op's current financial-statement presentation in light of the AIR.

Do I have to use the exact wording in the Accountant's report and specified procedures?

No. We worked closely with the CICA (Canadian Institute of Chartered Accountants) on the wording of the Accountant's Report and the specified procedures. However, you may develop your own slightly different wording.

Whom do I contact if I have questions?

If you have questions about the AIR, contact Jill Kelly, AIR Officer at 1 (866)660-3140 ext. 626 or by e-mail at jkelly@agency.coop.

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