



**CONFIDENTIAL
M E M O R A N D U M**

TO: Executive Committee Members

CC: Scott Logan, CEO

FROM: S. Dale MacLennan, CA, Senior Director of Finance & Administration

DATE: December 8, 2006

SUBJECT: Project Audit versus Year-end

BACKGROUND

The Society has received information with regards to external financial statement audits that, typically, bidding corporations are audited on a project-basis as opposed to individual year-end audits and/or partial year-end audits.

RATIONALE

Results for bidding corporations are more meaningful when prepared on a project basis as opposed to an annual basis because, unlike regular corporations who compare annual results to annual budgets and prior year's results, bidding corporations compare results to a budget which spans the length of the project. As long as the governance structure and by-laws of the bidding corporation support preparation of results on a project basis, that basis will be acceptable to the Society's auditors.

MOTION

It is recommended that Executive Committee direct Halifax 2014 staff to make the necessary by-law amendments - in draft - for consideration by the Board of Directors to permit the Society to be audited on a one-time project basis.

Halifax 2014

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