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## **Private & Confidential**

May 9, 2019

Members of the Board of Directors  
Central Okanagan Regional Hospital District  
1450 KLO Road  
Kelowna BC V1W 3Z4

Dear Sirs/Mesdames:

Re: Audit of the Financial Statements of Central Okanagan Regional Hospital District  
For the year ended December 31, 2018

The purpose of our report is to summarize certain aspects of the audit that we believe would be of interest to the Board of Directors and should be read in conjunction with the financial statements and our report thereon.

Our audit and therefore this report will not necessarily identify all matters that may be of interest to the Board of Directors in fulfilling its responsibilities.

This report has been prepared solely for the use of the Board of Directors and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

## **Independence**

At the core of the provision of external audit services is the concept of independence. We are communicating all relationships between BDO Canada LLP and its related entities and Central Okanagan Regional Hospital District and its related entities that, in our professional judgment, may reasonably be thought to have influenced our independence during the audit engagement.



In determining which relationships to report, we have considered the applicable legislation and relevant rules of professional conduct and related interpretations prescribed by the appropriate provincial institute/ordre covering such matters as the following:

- holding of a financial interest, either directly or indirectly in a client;
- 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;
- personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- economic dependence on a client; and
- provision of services in addition to the external audit engagement.

We are not aware of any relationships between the organization and us that, in our professional judgment, may reasonably be thought to bear on our independence to date.

#### Likely Aggregate Misstatements

During the audit, we detected no uncorrected misstatements by management.

#### Management Representations

During the course of the audit, management made certain representations to us. These representations were verbal or written and therefore explicit, or they were implied through the financial statements. Management provided representations in response to specific queries from us, as well as unsolicited representations. Such representations were part of the evidence gathered by us to be able to draw reasonable conclusions on which to base the audit opinion. These representations were documented by including in the audit working papers memoranda of discussions with management and written representations received from management.



Management's representations included, but were not limited to:

- matters communicated in discussions with us, whether solicited or unsolicited;
- matters communicated electronically to us;
- schedules, analyses and reports prepared by the entity, and management's notations and comments thereon, whether or not in response to a request by us;
- internal and external memoranda or correspondence;
- minutes of meetings of the Board of Directors or similar bodies such as audit committees and compensation committees;
- a signed copy of the financial statements; and
- a representation letter from management.

We wish to express our appreciation for the co-operation we received during the audit from the organization's management and staff who have assisted us in carrying out our work. We would be pleased to discuss with you the contents of this report and any other matters that you consider appropriate.

Yours truly,

Markus Schrott, BBA, CPA, CA  
Partner through a corporation  
BDO Canada LLP  
Chartered Professional Accountants

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