



W. Callaway Professional Corp., CGA

Box 61 Site 5 RR1 Cochrane, AB T4C 1A1

T: 403.932.5433 F: 403.932.5577

www.wcallaway.com

Audit Engagements

The objective of an audit engagement is for an independent professional public accountant to provide an opinion on or positive assurance of the fairness of the client's financial statements.

Audited financial statements are the accepted means which many business corporations report to shareholders, bankers, creditors and to government. Federal and provincial legislation in Canada generally requires a limited company (corporations) to prepare annual financial statements for audit by qualified independent auditors.

Financial statements subject to audit are the responsibility of the company's management. The auditors' responsibility is to express an opinion on those financial statements. Auditors must plan the audit to obtain reasonable assurance that the financial statements are free of material misstatement. The auditor is required to study and evaluate the company's internal controls, inspect documents, observe assets, make enquires in and outside the company, and use other generally accepted auditing procedures to gather evidence necessary to support whether the financial statements present a fair picture of the company's financial position and operations during the period being audited.