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September 16, 2011

IAASB Technical Director
International Auditing and Assurance Standards Board
545 Fifth Avenue, 14th Floor
New York, New York
USA, 10017

Re: Invitation to Comment, *Enhancing the value of Audit Reporting: Exploring Options for Change*

Dear Sir or Madam:

ENMAX Corporation appreciates the invitation to provide comment on the International Auditing and Assurance Standards Board (IAASB) Invitation to Comment on the Consultation Paper, *Enhancing the value of Audit Reporting: Exploring Options for Change*.

ENMAX Corporation (ENMAX or the Corporation) is an energy distribution, supply and service- Company and a wholly owned subsidiary of The City of Calgary, headquartered in Calgary, Canada. ENMAX operates and competes in Canada's electricity industry. ENMAX prepares audited financial statements for its consolidated group as required by its shareholder and debt holders, as well as audited financial statements for several of its individual subsidiaries as required by debt holders and other key stakeholders.

ENMAX does not see a need to increase auditor reporting to satisfy the “expectations” and “information” gaps identified in the consultation paper. The users of our financial statements have not identified these same gaps as issues. The time requirements and costs would seem to far outweigh any benefits that would come about from providing this additional assurance. More information should be provided about the expectation and information gaps described at the start of the paper. We struggled with whether the issues were more theoretical than real, as there were numerous references to academic research, rather than a tangible request from the various user groups of audited information. If this was provided in the paper, we may have been more inclined to consider the options presented in Section III.

Sincerely,

Melanie Litoski, CA
Vice President, Financial Reporting

Appendix: ENMAX respectfully provides the following comments to the questions raised in the Consultation Paper

Section 1: Issues Identified

1) Do respondents have any comments about the issues identified in Section II regarding the perceptions of auditor reporting today?

The discussions of the expectations and information gap which have caused the need to reexamine auditor value are not concrete enough to require such drastic change. When discussing the expectations gap, academic research is referred to as well that “some” capital market participants feel that auditor reporting needs to be changed. Rather than drawing the conclusion that auditor reporting should change based on academic research, real concerns should be brought up from those user groups who are relying on financial information. The users of our financial statements have not expressed a need for additional information from our auditor and they have not indicated that they are expecting further assurance on the information that we prepare.

2) If respondents believe changes in auditor reporting are needed, what are the most critical issues to be addressed to narrow the information gap perceived by users or to improve the communicative value of auditor reporting? Which classes of users are, in the view of respondents, most affected by these issues? Are there any classes of users that respondents believe are unaffected by these issues?

We do not see a need to change auditor reporting as it currently stands. We feel that the opinion that is currently provided by our auditors fulfills the needs of the users of our financial statements.

3) Do respondents believe that changes are needed for audits of all types of entities, or only for auditors of listed entities?

We believe that it is important to have one standard report across all entities, both for public and private companies, as well as those that are small and large. This will allow for a level playing field to be maintained and consistency across different types of companies in terms of what users of the financial statements can expect an auditor to provide an opinion on.

Section 2: Exploring Options for Change

A. Format and Structure of the Standard Auditor's Report

- 4) Respondents are asked for their reactions to the opinions for change regarding the format and structure of the standard auditor's report described in Part A. Do respondents have comments about how the options might be reflected in the standard auditor's report in the way outlined in Appendix 1 of this Consultation Paper?**

We do not feel there is a need to make changes to the structure and format of the standard auditor's report. The report is meant to be standardized across all entities to provide consistent communication from the auditors to the users of the financial statements. This format is what users of the financial statements have come to expect. Users are familiar with the standardized paragraphs and the opinion provided by the auditors. We feel that changing paragraphs or moving the report it to different positions in the annual report will just confuse users. The wording used in the auditor's report is not overly technical and is wording that users have become used to and expect.

- 5) If the paragraphs in the current standard auditor's report dealing with management and the auditor's responsibilities were removed or re-positioned, might that have the unintended consequence of widening the expectations gap? Do respondents have a view regarding whether the content of these paragraphs should be expanded?**

As outlined in Question 4, we do not support the removal or repositioning of the auditors opinion and responsibilities. This will most likely widen the expectations gap as the current standard report and positioning is well known to users of the financial statements.

B. Other Information in Documents Containing Audited Financial Statements

- 6) Respondents are asked for their reactions to the possibility that the standard auditor's report could include a statement about the auditor's responsibilities regarding other information in documents containing audited financial statements. Do respondents believe that such a change would be of a benefit to users?**

We do believe that in instances where the auditors currently review documents such as the Management Discussion & Analysis and Annual Report, the standard audit report could be expanded in the section under Auditor's Responsibility to describe the documents that are reviewed for consistency with the audited financial statements and that an opinion is not provided.

7) If yes, what form should that statement take? Is it sufficient for the auditor to describe the auditor's responsibilities for other information in documents containing audited financial statements? Should there be an explicit statement as to whether the auditor has anything to report with respect to the other information?

We believe that this statement could be a fourth paragraph at the end of auditor's responsibility section of the standard auditor's report. A quick description could be provided indicating the documents that the auditors have reviewed to ensure consistency with the audited financial statements. An explicit statement should only be provided on the other information if an inconsistency with the financial statements is determined.

C. Auditor Commentary on Matters Significant to Users' Understanding of the Audited Financial Statements, or of the Audit

8) Respondents are asked for their views regarding the auditor providing additional information about the audit in the auditor's report on the financial statements.

We do not feel that this is information that would be valuable to the general users of the financial statements. This information is currently being provided to Audit and Finance Committee members by the auditors as part of their audit committee package. General users are concerned only with the final audit opinion.

9) Respondents are asked for their reactions to the example of use of "justification of assessments" in France, as a way to provide additional auditor commentary.

As discussed in Question 8, we do not feel that this is valuable information to the users of our financial statements.

10) Respondents are asked for their reactions to the prospect of the auditor providing insights about the entity of the quality of its financial reporting in the auditor's report.

We do not believe that the auditor providing insight about the entity and its quality of financial reporting is necessary information to be included in the auditor's report. This is information that is currently used by the auditor's in determining the nature of their audit opinion. If the auditor provides an unqualified opinion then the user can assume that the entity has a sufficient quality of financial reporting. Any additional detail would effectively allow the auditors to qualify their opinion.

D. An Enhanced Corporate Governance Model: Role of Those Charged with Governance regarding Financial Reporting and the External Audit

11) Respondents are asked for their reactions to the options for change relating to an enhanced model of corporate governance reporting, as described in Section III, Part D.

As discussed above, we do not feel that there is a need or a desire by the users of our financial statements to have additional information provided by auditors on corporate governance. ENMAX publishes a detailed report on its governance practices, as do many Canadian Companies. This communication is the responsibility of Management, not the auditor. The additional cost and time required to meet these requirements does not outweigh any potential benefits to our users.

12) To the extent that respondents support this model, what challenges may be faced in promoting its acceptance? Also, what actions may be necessary to influence the acceptance or adoption of this model, for example, by those responsible for regulating the financial reporting process?

We do not support this model.

13) Do respondents believe assurance by the auditor on a report issued by those charged with governance would be appropriate?

We do not believe assurance by the auditor on a report issued by those charged with governance would be appropriate.

E. Other Assurance or Related Services on Information Not Within the Current Scope of the Financial Statement Audit

14) Respondents are asked for their reactions to the need for, or potential value of, assurance or related services on the type of information discussed in Section III, Part E.

The examples that were provided in Section III, Part E are items that would typically be included in our management discussion and analysis of the financial statements. We do not see a need to provide assurance on these items and do not see how it would even be possible to achieve this in many areas. For example, performance on key-performance indicators could include items such as safety performance, commitments to the environment, etc. It would be very difficult to develop an audit standard to provide assurance on items of this nature as the topic is very broad and interpretation differs between companies and industries. There would also be the requirement for audit firms to have a very strong understanding of a significant volume of topics that are not of a financial nature if they are to be in a position to provide an opinion.

15) What actions are necessary to influence further development of such assurance or related services?

We go back to our response on the first question and our concerns about whether there is a real concern with the expectation and information gap and the need for more concrete data on what the real issues are, not just perceived issues. This needs to be addressed before any further development can take place.

F. Implications of Change and Potential Implementation Challenges

16) Respondents are requested to identify benefits, costs and other implications of change, or potential challenges they believe are associated with the different options explored in Section III.

We believe that the cost involved with the suggestions in Section III will significantly drive up audit fees. These significant costs likely would not provide additional benefits to the users of the financial statements. The time required for the audit firms to complete this work on top of the normal review and audit work will increase significantly. Significant time will be required to gain a better understanding of the non-financial topics and the entity, to be in a position to provide assurance in areas beyond the financial statements. Meeting current reporting deadlines to ensure financial information is current and relevant is already challenging. If additional assurance was required timeliness of information may suffer or require significantly more internal and audit resources.

17) Do respondents believe the benefits, costs, potential challenges and other implications of change, are the same for all types of entity? If not, please explain how they may differ.

We do not believe that the costs will be the same for all entities. This will particularly be evident if standardized requirements must be met for both public and private entities. A private company will likely be preparing a lot of information for the first time because they were not required to in the past. This will require additional resources and will result in an increase in audit fees.

18) Which, if any, of the options explored in Section III, either individually or in combination, do respondents believe would be most effective in enhancing auditor reporting, keeping in mind benefits, costs, potential challenges, and other implications in each case? In this regard, do respondents believe there are opportunities for collaboration with others that the IAASB should explore, particularly with respect to the options described in Section III, Parts D and E, which envisage changes outside the scope of the existing auditor reporting model and scope of the financial statement audit?

We do not feel that any of the suggestions made in Section III would enhance auditor reporting. We believe our users are satisfied with the level of assurance being provided on our financial statements currently.

19) Are there other suggestions for change to auditor reporting to narrow the “information gap” perceived by users or to improve the communicative value of the auditor’s report?

We have no other suggestions.