

Audit Committee Report

ST. JOSEPH'S GENERAL HOSPITAL

Committee:	Audit
Chair:	James Bennett, Board
Committee Members:	Greg Osborne, Board Michael Pontus, Board Ron Philip, Board Eric Macdonald, Staff Katja Waldman, Staff

The Audit Committee met with the Auditing Firm of Meyers Norris Penny LLP twice during 2007 to address the 2007 audit for St. Joseph's General Hospital.

On March 14, 2007, the Committee met to review and approve the "Engagement Letter" covering the 2007 Audit. The "Audit Services Plan" for the 2007 audit as prepared by the auditors was reviewed. The Committee also examined with the auditor, administration and staff, last year's audit findings and recommendations. The auditor noted that from their perspective, St. Josephs has made a sincere effort to address the recommendations identified in last year's audit.

The Committee met again on May 30, 2007, to:

1. Review the 2007 Audit Report from Meyers Norris Penny LLP
2. Review the 2007 Financial Statements and accompanying reports.
3. Review the 2007 Management Letter and recommendations contained therein.

The Committee also met with the auditors independent of administration and staff.

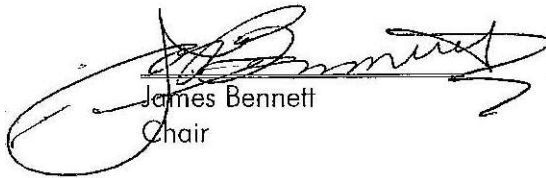
A report "*Evaluating the Auditor's Engagement Letter*" was examined by the Committee and will be used to evaluate the 2008 auditor's engagement letter.

The auditors are satisfied that the 2007 financial statements and accompanying financial reports fairly represent the financial standing of St. Joseph's General Hospital as at March 31, 2007 and for the fiscal year ended on that date.

The auditors were generally satisfied with the processes and controls in place at St. Joseph's given the limited human resources available for financial management. They were complementary of the staff and management for the support they provided during the audit.

It was agreed that an internal audit be conducted by staff in the Fall on the recommendations and observations of the auditor as outlined in the Management Letter.

Respectfully submitted,



James Bennett
Chair