



Committee of Council Agenda

Tuesday, January 25, 2022

2:00 p.m.

Virtual Meeting

Pages

1. CALL TO ORDER

2. ADOPTION OF THE AGENDA

2.1. Adoption of the Agenda

Recommendation:

That the Tuesday, January 25, 2022, Committee of Council Meeting Agenda be adopted as circulated.

3. CONFIRMATION OF MINUTES

None.

4. REPORTS

4.1. Commemorative Naming Policy Amendment

1

Recommendation:

That Committee recommend to Council that the proposed amendments to the Commemorative Naming Policy 11.18 be approved.

4.2. KPMG Audit Planning 2021 (Time specific 2:30)

15

Recommendation:

That Committee of Council accept KPMG's Audit Planning Report for the 2021 financial statement audit.

5. COUNCILLORS' UPDATE

6. MAYOR'S UPDATE

7. CAO UPDATE

8. RESOLUTION TO CLOSE

8.1. Resolution to Close

Recommendation:

That the Committee of Council Meeting of Tuesday, January 25, 2022, be closed to the public pursuant to the following subsections(s) of Section 90(1) of the Community Charter:

Item 5.1

l. discussions with municipal officers and employees respecting municipal objectives, measures and progress reports for the purposes of preparing an annual report under section 98 [annual municipal report].

Item 5.2

c. labour relations or other employee relations.

Item 5.3

k. negotiations and related discussions respecting the proposed provision of a municipal service that are at their preliminary stages and that, in the view of the council, could reasonably be expected to harm the interests of the municipality if they were held in public;

l. discussions with municipal officers and employees respecting municipal objectives, measures and progress reports for the purposes of preparing an annual report under section 98 [annual municipal report].

9. ADJOURNMENT

9.1. Adjournment of the Meeting

Recommendation:

That the Tuesday, January 25, 2022, Committee of Council Meeting be adjourned.

10. MEETING NOTES

Commemorative Naming Policy Amendment

RECOMMENDATION:

That Committee recommend to Council that the proposed amendments to the Commemorative Naming Policy 11.18 be approved.

PREVIOUS COUNCIL/COMMITTEE ACTION

June 15, 2021 - Committee of Council:

That Committee of Council recommend to Council that the Commemorative Naming Policy 11.18 be approved with the following changes:

- *Remove the word "original" from bullet two, under criteria; and*
- *Add an additional bullet, "Naming shall reflect the diversity of Port Coquitlam", under guiding principles.*

July 13, 2021 – Council:

That Council approve the proposed Commemorative Naming Policy 11.18.

REPORT SUMMARY

This report recommends that Commemorative Naming Policy 11.18 (Attachment 1) be amended to include an application process (form and supporting documents) to nominate a commemorative name. This process will provide more robust background information to Council when considering a commemorative name for a City park, parts of a park, facility, part of a facility or other civic asset commonly used by the public. The proposed amended policy (Attachment 2) outlines the application criteria that must be met and the review process to be completed by the relevant department, to determine the appropriateness of a proposed commemorative name, prior to a recommendation coming to Council for consideration.

BACKGROUND

Council approved the Commemorative Naming Policy in July 2021 to ensure a consistent and transparent approval process is followed based on key criteria that must be met, in order to determine the appropriateness of a proposed commemorative name. The policy applies to the commemorative naming of a City park, parts of a park, facility, part of a facility and other civic asset as naming that

Commemorative Naming Policy Amendment

is established to honour outstanding achievement, distinctive service, or significant community contribution, and is not tied to a financial contribution.

DISCUSSION

Following discussions with Council regarding consideration of commemorative naming requests, staff were directed to review the Commemorative Naming Policy and develop a more robust application process.

The proposed amended policy requires that an application be submitted to nominate a commemorative name. The application form (Attachment 3) outlines the criteria that must be met and the supporting documents required. Upon receipt, the completed application will be reviewed by the relevant department staff (Recreation or Public Works and Engineering) who will conduct any necessary background research. This may include consulting with related community organizations such as the Port Coquitlam Sport Alliance or the Port Coquitlam Heritage and Cultural Society, discussing as needed with the applicant, and collaborating with other city departments.

Once the review is complete, the Department Head will submit a report to Closed Committee with the recommendation and justification for each nominated commemorative name for a City park, parts of a park, facility, part of a facility or other civic asset commonly used by the public, on a case by case basis.

Staff will maintain an archived list of past names the City has received nominations for.

FINANCIAL IMPLICATIONS

There is no change in the amended Commemorative Naming Policy with respect to costs associated with approved Commemorative Names for City parks, parts of parks, facilities, parts of facilities or other civic assets. Costs will include the purchase and installation of a dedication plaque and/or related signage which will vary depending on site and scope, and will be determined on a case by case basis.

Commemorative Naming Policy Amendment

OPTIONS (✓ = Staff Recommendation)

	#	Description
<input checked="" type="checkbox"/>	1	That Committee recommend to Council that the proposed amendments to the Commemorative Naming Policy 11.18 be approved.
<input type="checkbox"/>	2	Direct staff to make further amendments to the draft policy.
<input type="checkbox"/>	3	Not approve the proposed policy amendments.

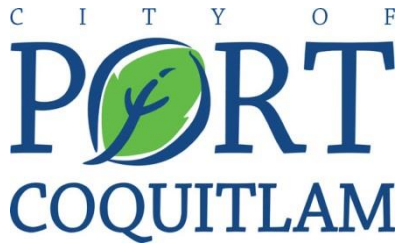
ATTACHMENTS

Attachment 1 – Commemorative Naming Policy 11.18

Attachment 2 – Amended Commemorative Naming Policy

Attachment 3 - Commemorative Naming Application Form

Lead author(s): Lori Bowie



POLICY

Subject Area:	Recreation and Engineering & Public Works	Policy #	11.18
Policy Title:	Commemorative Naming Policy		
Authority:	Legislative	X	Effective Date: 2021-07-13
	Administrative		Review Date: 2026-07
Issued By:	Lori Bowie, Director of Recreation	Issue Date:	July 14, 2021
	Forrest Smith, Director of Engineering & Public Works	Manner Issued:	E-mail to all Department Heads

Purpose

This policy provides clear guidelines for the commemorative naming of City parks, parts of parks, facilities, parts of facilities and other civic assets commonly used by the public.

Associated Policy Documents

Naming Parks Policy 11.13

Scope

This policy applies to:

- Commemorative naming of City parks, parts of parks, facilities, parts of facilities and other civic assets commonly used by the public.

This policy does not apply to:

- City memorial program options, such as park benches, tree dedications and picnic tables.
- Naming Rights for City properties and facilities (subject to future policy).
- City-owned facilities leased to commercial tenants.
- City core services (City Hall, Fire halls, community police stations).

Definitions

Commemorative Naming: means the naming of a City park, parts of a park, facility, part of a facility and other civic asset to honour outstanding achievement, distinctive service, or significant community contribution. Commemorative Naming shall not be tied to a financial contribution.

Policy

A commemorative name for a City park, parts of a park, facility, part of a facility and other civic asset commonly used by the public may be considered and approved by Council, on a case by case basis. To ensure consistency and fairness, the following guidelines must be followed and key criteria must be met to determine the appropriateness of the proposed commemorative name and to ensure a proper and transparent approval process.

Criteria

In order to have a City park, parts of a park, facility, part of a facility and other civic asset, commemoratively named, one or more of the following criteria shall apply:

- The individual/organization has demonstrated excellence, courage or exceptional dedication to service in ways that brings special credit to the City of Port Coquitlam, the Province of British Columbia and/or Canada;
- The individual is an inhabitant/family within the City of Port Coquitlam who has historical significance;
- The individual/organization has an extraordinary community service record;
- The individual/organization volunteers and has made a lengthy contribution to community services/organizations. The quality of the contribution shall be considered along with the length of service by the individual/organization;
- The individual has worked to foster inclusion, equity and reduced discrimination;
- Where the individual is a current City employee, the individual will have made an outstanding contribution to the City outside of his/her capacity and duties as an employee or he/she may be recognized for exceptional service once he/she is no longer a City employee; and
- The individual/organization performs a deed or activity in an outstanding professional manner or of an uncommonly high standard that brings considerable benefit or honour to the City.

Guiding Principles

The following principles shall be considered in deciding on a name for a City park, parts of a park, facility, part of a facility or other civic asset:

- Only City assets commonly used by the public, such as parks, parts of parks, facilities, parts of facilities shall be considered specifically for commemorative naming;
- Names shall not be discriminatory, derogatory or political in nature;
- Naming shall reflect the diversity within the City of Port Coquitlam;

- Names shall contribute significantly to historic continuity, community identity and pride, and to creating a sense of place within the community;
- Commemorative naming shall not conflict with other City policies; and
- Council shall retain the right to not name certain facilities and assets.

Commemorative Naming Proposals

Any member of the public, Council or staff may propose a commemorative name for a park, facility or asset as herein defined. Background information and/or biographical information demonstrating that the proposed name is of significance to the community shall be required.

Where the name of an individual or organization is being proposed, approval shall be obtained from the individual, his/her family, or the organization. Documentation verifying that the person/organization being honoured agrees or their family agrees, must be obtained prior to the name being announced.

Generally, the selected facilities, parks or assets shall not be renamed, however, Council reserves the right to designate a new name for a previously named asset. Renaming will be considered if:

- It is found that because of information forthcoming the continued use of the name would not be in the best interests of the community.

Procedures

1. All discussions of commemorative naming of parks, facilities or assets will be considered initially at a closed meeting, for the purpose of gaining approval in principle by the majority of Council. Final decisions will be made by Council at a closed meeting and reported publicly at the appropriate time.
2. Costs for the production and installation of the commemorative name plaque may be borne by the individuals or organizations who request the designations and/or by the City, where determined by Council on a case by case basis.
3. The approved commemorative name will be implemented through the installation of a commemorative plaque describing the significance of the individual/organization.
4. This policy shall apply to all City of Port Coquitlam parks, facilities and assets as defined herein and may be amended by Council at any time.

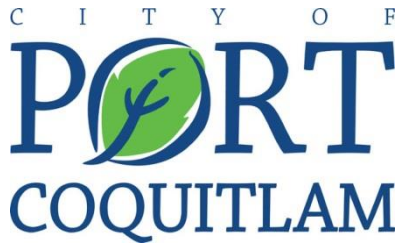
Responsibility

The Director of Recreation shall be responsible for administration of this policy.

END OF POLICY

Record of Amendments

<u>Policy</u>	<u>Issue date</u>	<u>Reviewed</u>	<u>Replaced</u>	<u>Re-issue Date</u>
11.13.02	July 14, 2021			



DRAFT POLICY

Subject Area:	Recreation and Engineering & Public Works	Policy #	11.18
Policy Title:	Commemorative Naming Policy		
Authority:	Legislative	X	Effective Date: 2021-xx
	Administrative		Review Date: 2026-xx
Issued By:	Lori Bowie, Director of Recreation	Issue Date:	TBD
		Manner Issued:	E-mail to all Department Heads
	Joshua Frederick Director of Engineering & Public Works		

Purpose

This policy provides clear guidelines for the commemorative naming of City parks, parts of parks, facilities, parts of facilities, and other civic assets commonly used by the public.

Associated Policy Documents

Naming Parks Policy 11.13

Scope

This policy applies to:

- Commemorative naming of City parks, parts of parks, facilities, parts of facilities and other civic assets commonly used by the public.

This policy does not apply to:

- City memorial program options, such as park benches, tree dedications and picnic tables.
- Naming Rights for City properties and facilities (subject to future policy).
- City-owned facilities leased to commercial tenants.
- City core services (City Hall, Fire halls, community police stations).

Policy

A commemorative name for a City park, parts of a park, facility, part of a facility and other civic asset commonly used by the public may be considered and approved by Council, on a case by case basis. To ensure consistency and fairness, the following guidelines must be followed and key criteria must be met to determine the appropriateness of the proposed commemorative name and to ensure a proper and transparent approval process.

Criteria

In order to have a City park, parts of a park, facility, part of a facility and other civic asset, commemoratively named, one or more of the following criteria shall apply:

- The individual is an inhabitant/family within the City of Port Coquitlam who has historical significance;
- The individual/family/organization has demonstrated excellence, courage or exceptional dedication to service in ways that brings special credit to the City of Port Coquitlam, the Province of British Columbia and/or Canada;
- The individual/family/organization performs a deed or activity in an outstanding professional manner or of an uncommonly high standard that brings considerable benefit or honour to the City;
- The individual/family/organization has an extraordinary community service record;
- The individual/family/organization volunteers and has made a lengthy and significant contribution to community services/organizations. The quality of the contribution shall be considered along with the length of service by the individual/organization;
- The individual has worked to foster inclusion, equity and reduce discrimination;
- Where the individual is a current City employee, the individual will have made an outstanding contribution to the City outside of his/her capacity and duties as an employee or he/she may be recognized for exceptional service once he/she is no longer a City employee;
- The nominated name promotes a sense of place, continuity, belonging and/or celebrates the uniqueness and distinguishing characteristics of Port Coquitlam;
- The nominated name maintains a long-standing local area identification with residents of Port Coquitlam;
- The nominated name promotes pride in the City of Port Coquitlam, acknowledges local heritage, history and/or recognizes the unique features and geography; and,
- A direct relationship or association existed between the place of residence of or community efforts undertaken by the individual/family and the property/building or element to be named.

Guiding Principles

The following principles shall be considered in deciding on a name for a City park, parts of a park, facility, part of a facility or other civic asset:

- Only City assets commonly used by the public, such as parks, parts of parks, facilities, parts of facilities shall be considered specifically for commemorative naming;
- Names shall not be discriminatory, derogatory or political in nature;
- Names shall reflect the diversity within the City of Port Coquitlam;
- Names shall contribute significantly to historic continuity, community identity and pride, and to creating a sense of place within the community;
- Commemorative naming shall not be used to further commercial or advertising interests;
- Commemorative naming shall not be tied to a financial contribution;
- Commemorative naming shall not conflict with other City policies; and,
- Council shall retain the right to not name certain facilities and assets.

Commemorative Naming Applications

Any member of the public, Council or staff may submit an application to nominate a commemorative name for a park, facility or asset as herein defined. As outlined in the application form, background information and/or biographical information demonstrating that the proposed name is of significance to the community and that the necessary criteria are met, along with supporting documents including a minimum of two reference letters, shall be required.

Individuals cannot nominate themselves.

A Criminal Reference Check (CRC) for the nominee is required as part of the application process. It is necessary for the nominee to obtain the CRC.

Where the name of an individual, family or organization is being proposed, a signed Letter of Consent verifying that the individual/family/organization being honoured is in agreement with the naming proposal (if they are living), or by their legal representative should they be deceased, shall be provided with the completed application form.

Renaming

Generally, the selected facilities, parks or assets shall not be renamed, however, Council reserves the right to designate a new name for a previously named asset. Renaming will be considered if:

- It is found that because of information forthcoming the continued use of the name would not be in the best interests of the community.

Procedures

1. Completed applications for commemorative naming will be forwarded to the appropriate department to confirm that the necessary criteria are satisfied, reference checks are complete, and all necessary supporting documents are provided. Staff will contact the applicant and applicable City Departments as needed to investigate and process the application.
2. A report to Closed Committee of Council summarizing the application and providing a recommendation with rationale, will be submitted by the appropriate Department Head.
3. All discussions of commemorative naming of parks, facilities or assets will be considered initially at a closed meeting, for the purpose of gaining approval in principle by the majority of Committee. Final decisions will be made by Council at a closed meeting and reported publicly at the appropriate time.
4. Costs for the production and installation of the commemorative name plaque may be borne by the individuals or organizations who request the designations and/or by the City, where determined by Council on a case by case basis.
5. The approved commemorative name will be implemented through the installation of a commemorative plaque describing the significance of the individual/family/organization.
6. The City will maintain an archived list of past names applied for.
7. This policy shall apply to all City of Port Coquitlam parks, facilities and assets as defined herein and may be amended by Council at any time.

Responsibility

The Director of Recreation shall be responsible for administration of this policy.

END OF POLICY**Record of Amendments**

Policy	Issue date	Reviewed	Replaced	Re-issue Date
11.13.02	July 14, 2021	January 25, 2022		February 2022

Definitions:

Commemorative Naming: means the naming of a City park, parts of a park, facility, part of a facility and other civic asset to honour outstanding achievement, distinctive service, or significant community contribution. Commemorative Naming shall not be tied to a financial contribution.

Commemorative Naming Application Form

Nominator's Information

Name: _____

Mailing Address: _____

Telephone: _____

E-mail: _____

Information Concerning the Proposed Name

Which City park, part of a park, facility, part of a facility or other civic asset are you submitting this name for: _____

Proposed Name: _____

If the name suggested relates to the commemoration of an individual who is alive, please provide the individual's contact information in the section below. *Note: A Commemorative Name may be used only once in the City of Port Coquitlam – subsequent requests will be denied.*

Name of Nominee: _____

Mailing Address: _____

Telephone: _____

E-mail: _____

Applicable Criteria (select all that apply):

- The individual/organization has demonstrated excellence, courage or exceptional dedication to service in ways that brings special credit to the City of Port Coquitlam, the Province of British Columbia and/or Canada
- The individual is an inhabitant/family within the City of Port Coquitlam who has historical significance
- The individual/organization has an extraordinary community service record
- The individual/organization volunteers and has made a lengthy and significant contribution to community services/organizations
- The individual has worked to foster inclusion, equity and reduce discrimination

Additional Information Required

Please attach the following information as required in the Commemorative Naming Policy:

- Background information and/or biographical information (if named after an organization or an individual) demonstrating that the proposed name is of significance to the community and/or the municipality
- Documentation including reference letters from organizations and individuals providing substantial support for the request
- A signed Letter of Consent verifying that the person/family/organization being honoured is in agreement with the naming proposal (if they are living), or by their legal representative should they be deceased.

Criminal Reference Check

A Criminal Reference Check (CRC) for the nominee is required as part of the application process. It is necessary for the nominee to obtain the CRC.

Consent

- I have submitted all information accurately and completely to the best of my knowledge
- I have read and understand the Commemorative Naming Policy
- Understand the City is under no obligation to accept my proposed name, and my proposal may be declined by the City at any time and for any reason during the review
- I understand that City staff may contact me at any time during their review of this proposal for further information as needed

Nominator's Name (please print)

Nominator's Signature

Date

The information collected on this form will be used as part of the Commemorative Naming process. Personal information on the form and information collected as a result of the application processing and staff investigation will be used by City staff and may be made available to the internal stakeholders.

RECOMMENDATION:

That Committee of Council accept KPMG’s Audit Planning Report for the 2021 financial statement audit.

REPORT SUMMARY

The City’s financial statements auditors, KPMG LLP, have provided staff with an Audit Planning Report for the 2021 financial statement audit. The report outlines how KPMG will perform their audit.

BACKGROUND

The Report is intended to assist the Committee in discharging its duties and responsibilities with respect to financial governance and oversight. It is one of the acceptable methods for the auditors to meet their requirements to communicate with those charged with governance for each audit engagement.

DISCUSSION

The interim audit field work was conducted during the week of November 29, 2021 and year end field work is scheduled for several weeks in March and April 2022. The auditors anticipate presenting their 2021 audit findings report to the Committee in May 2022.


Areas of audit focus for 2021 are development cost charges, the financial reporting implications of COVID-19 and the City’s tangible capital assets. Materiality has been set at \$2,400,000 which represents a \$200,000 increase from 2020. This is the point at which incorrect financial information is likely to have an impact on the decision making of users of that financial information. There are also no changes in the applicable accounting standards from the prior year that would affect the City.

FINANCIAL IMPLICATIONS

None. The Audit Planning Report is part of the overall audit engagement.

KPMG Audit Planning 2021

OPTIONS (✓ = Staff Recommendation)

	#	Description
	1	Accept KPMG's Audit Planning Report for the 2021 financial statement audit
	2	Require additional information

ATTACHMENTS

Att#1: KPMG Audit Planning Report

Lead author: Matthew Mydske



Corporation of the City of Port Coquitlam

**Audit Planning Report for the year ended
December 31, 2021**

KPMG LLP

Report prepared on January 17, 2022, for presentation on
January 25, 2022



Table of contents

Digital use information

This Audit Planning Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this page.



Click on any item in the table of contents to navigate to that section.



Audit quality



Audit plan



Audit risks



Areas of focus



Key milestones



Appendices



KPMG contacts

Key contacts in connection with this engagement

Brandon Ma

Lead Audit Engagement Partner

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Asifa Hirji

Audit Senior Manager

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Our refreshed Values

What we believe



Integrity

We do what is right.



Excellence

We never stop learning
and improving.



Courage

We think and act boldly.



Together

We respect each other
and draw strength from
our differences.



For Better

We do what matters.



Audit quality: How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority.

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality controls**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.

Our **Global Quality Framework** outlines how we deliver quality and how every partner and staff member contributes to its delivery.

Perform quality engagements sits at the core along with our commitment to continually monitor and remediate to fulfil on our quality drivers.

Our **quality value drivers** are the cornerstones to our approach underpinned by the **supporting drivers** and give clear direction to encourage the right behaviours in delivering audit quality.



Doing the right thing. Always.





Materiality

Materiality is established to identify risks of material misstatements, to develop an appropriate audit response to such risks, and to evaluate the level at which we think misstatements will reasonably influence users of the financial statements. It considers both quantitative and qualitative factors.

To respond to aggregation risk, we design our procedures to detect misstatements at a lower level of materiality (e.g., performance materiality)

Materiality

\$2.4 million

(2020: \$2.2 million)



We will report to Council:

Corrected and uncorrected audit misstatements that are other than trivial

..... Prior year
—— Current year

% Benchmark



Total prior year operating expenses

Total prior year operating expenses

\$99.8 million

(2020: \$86.4 million of total forecasted operating expenses)

The use of operating expenses as the benchmark is consistent with prior year.

Audit misstatement posting threshold

\$120,000

(2020: \$110,000)

Threshold used to accumulate misstatements identified during the audit



Group audit

Professional standards require that we obtain an understanding of City's organizational structure, including its components and their environments that is sufficient to identify those components that are financially significant or that contain specific risks that must be addressed during our audit.

The components included in the City's consolidated entity over which we plan to perform our audit procedures are as follows:

Components	Assessment of component relative to the consolidated financial statements	Scope
City of Port Coquitlam (City's General, Capital, Water, Sewer and Reserve Funds)	Financially significant	Audit
Port Coquitlam Community Foundation (the "Foundation")	Not financially significant	The Foundation is not material to the financial statements. We will perform analytical procedures over the year-end balances.



Audit risks summary

Our planning begins with an assessment of risk of material misstatement in your financial statements. We draw upon our process understanding, historic knowledge of the City, the industry and the wider economic environment in which the City operates.

	Significant Risks of Material Misstatement and Other Areas of Focus	Risk of Fraud	CY Risk Rating	PY Risk Rating
●	Management override of controls	✓	✓	✓
●	Financial reporting implications of COVID-19		⬢	⬢
●	Development cost charges		⬢	⬢
●	Tangible capital assets		⬢	⬢

● PRESUMED RISK OF MISSTATEMENT ● OTHER AREA OF FOCUS

✓ SIGNIFICANT RISK ⬢ NON-SIGNIFICANT RISK



Presumed audit risks



Management Override of Controls

RISK OF



FRAUD

**Presumption
of the risk of fraud
resulting from
management
override of
controls**

Why is it significant?

This is a presumed risk required by professional auditing standards.

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

We have not identified any specific additional risks of management override relating to this audit.

Audit approach

As this presumed risk of material misstatement due to fraud is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- Testing of journal entries and other adjustments
- Performing a retrospective review of estimates
- Evaluating the business rationale of significant unusual transactions.



Areas of focus

Other area of focus

Financial reporting implications of COVID-19

Why we are focusing here

The COVID-19 pandemic continued to have an impact on the City's operations in 2021 with fluctuations in revenue and expenses relative to budget and prior year.

Our audit approach

- Update our understanding of process activities and controls over each significant financial process to identify changes resulting from the pandemic.
- Review variances in revenue and expenses from the prior year balances to assess whether the variances are reasonable, and the revenue and expenses reported in the financial statements are complete and accurate.
- Review the COVID-19 financial statement note disclosure to ensure it appropriately describes the impact of the pandemic on the City's operations.
- Obtain an understanding of the nature of the expenditures incurred in 2021 that are funded by the COVID-19 Safe Restart grant and ensure the expenditures are eligible to be funded by the grant.



Areas of focus (continued)

Other area of focus

Development cost charges (“DCC”)

Why we are focusing here

DCC charged by the City are recorded as a liability and recognized as revenue when the expenditures are incurred.

Our audit approach

- Update our understanding of the process activities and controls for DCC.
- Select a sample of DCC contributions, recalculate the total amount, agree each factor in the calculation to supporting documentation (e.g. approved rates) and agree the amount recorded to cash receipts or letters of credit.
- Select a sample of DCC expenditures and agree the amount recorded to supporting documentation.
- Select a sample of permits approved in 2021 and ensure that the corresponding DCC was appropriately calculated and recorded.
- Select a sample of letters of credit held by the City and confirm the authenticity of the letter of credit with the financial institution.



Areas of focus (continued)

Other area of focus

Tangible capital assets (“TCA”)

Why we are focusing here

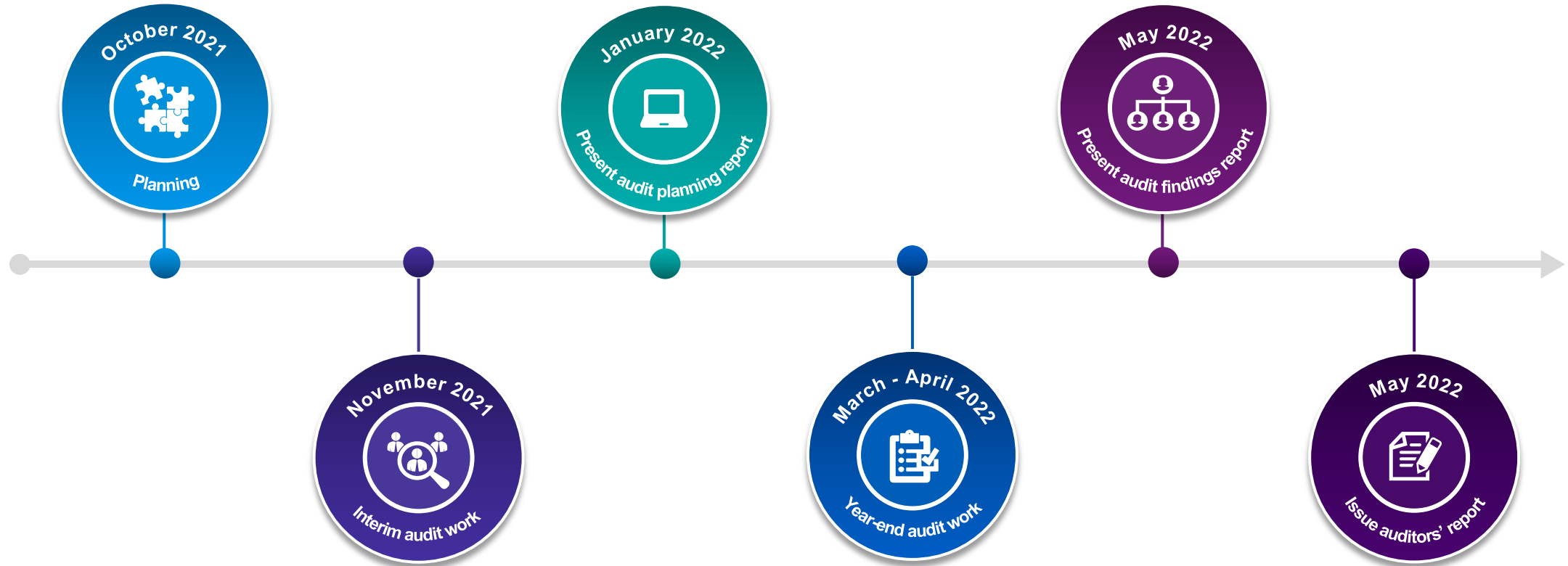
Each year, the City incurs capital expenditures which are recorded as TCA. Coordination is required between the Finance and other City departments to ensure that all projects and assets are accounted for appropriately.

Our audit approach

- Update our understanding of the process activities and controls for TCA.
- Select a sample of TCA additions, including developer contributed assets, and agree the amount recorded in the general ledger to supporting documentation. Ensure each item is recorded in the appropriate TCA category and is appropriate to capitalize.
- Select a sample of TCA disposals and agree any proceeds from the disposition to cash receipts. Recalculate the gain/loss recorded and ensure the appropriate net book value of the TCA disposed has been used in the calculation and removed from the TCA register.
- Perform analytical procedures on amortization expense to assess whether the change in the balance from the prior year is reasonable



Key milestones





Appendices



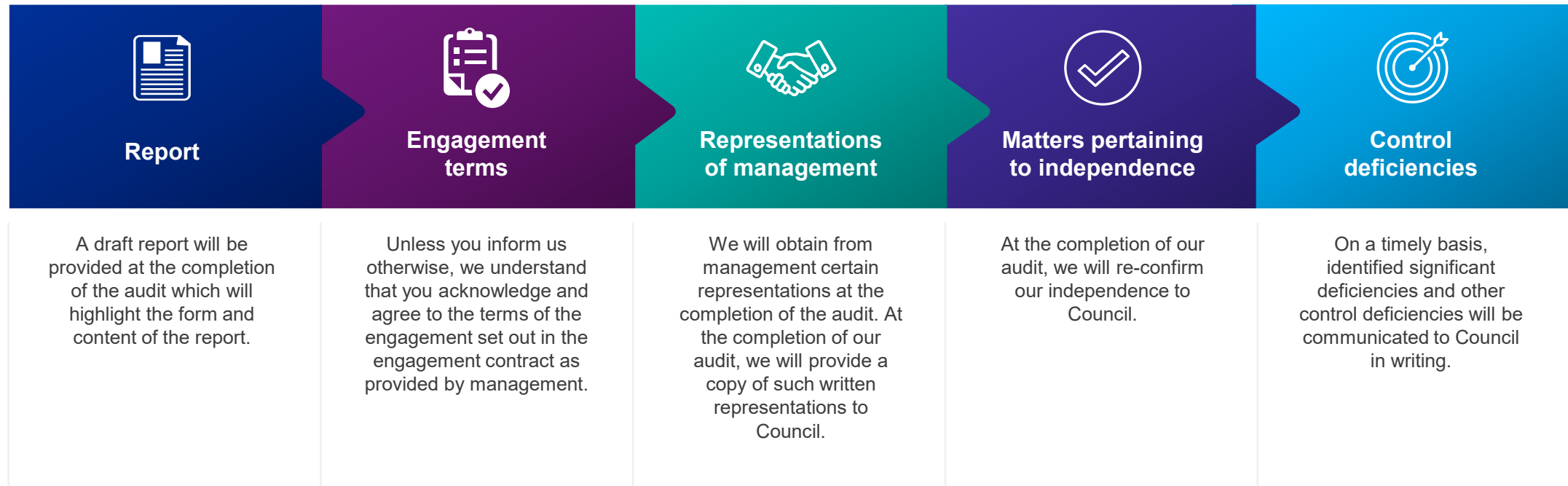
Other required communications



Current developments and insights



Appendix 1: Other required communications



Audit findings report

At the completion of the audit, we will provide our findings report to Council.



Appendix 2: Current developments and insights

Public sector accounting standards

Standard	Summary and implications
Asset Retirement Obligations	<ul style="list-style-type: none"> The new standard is effective for fiscal years beginning on or after April 1, 2022. The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area. The ARO standard will require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets ("TCA"). The amount of the initial liability will be added to the historical cost of the asset and amortized over its useful life. As a result of the new standard, the public sector entity will have to: <ul style="list-style-type: none"> Consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset; Carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements; Begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.
Financial Instruments and Foreign Currency Translation	<ul style="list-style-type: none"> The accounting standards, PS3450 Financial Instruments, PS2601 Foreign Currency Translation, PS1201 Financial Statement Presentation and PS3041 Portfolio Investments are effective for fiscal years commencing on or after April 1, 2022. Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds, can be carried at cost or fair value depending on the public sector entity's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable. Hedge accounting is not permitted. A new statement, the Statement of Remeasurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations.
Revenue	<ul style="list-style-type: none"> The new standard PS 3400 Revenue is effective for fiscal years beginning on or after April 1, 2023. The effective date was deferred by one year due to COVID-19. The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. The standard notes that in the case of revenues arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. The standard notes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.



Appendix 2: Current developments and insights (continued)

Public sector accounting standards (continued)

Standard	Summary and implications
Purchased Intangibles	<ul style="list-style-type: none"> In October 2019, PSAB approved a proposal to allow public sector entities to recognize intangibles purchased through an exchange transaction. Practitioners are expected to use the definition of an asset, the general recognition criteria and the GAAP hierarchy to account for purchased intangibles. PSAB has approved Public Sector Guideline 8 which allows recognition of intangibles purchased through an exchange transaction. Narrow-scope amendments were made to Section PS 1000 Financial statement concepts to remove prohibition on recognition of intangibles purchased through exchange transactions and PS 1201 Financial statement presentation to remove the requirement to disclose that purchased intangibles are not recognized. The effective date is April 1, 2023 with early adoption permitted. Application may be retroactive or prospective.
Public Private Partnerships (“P3”)	<ul style="list-style-type: none"> PSAB has introduced Section PS3160, which includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. The standard has an effective date of April 1, 2023 and may be applied retroactively or prospectively. The standard notes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends. The public sector entity recognizes a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure. The infrastructure would be valued at cost, which represents fair value at the date of recognition with a liability of the same amount if one exists. Cost would be measured in reference to the public private partnership process and agreement, or by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project.
Employee Future Benefit Obligations	<ul style="list-style-type: none"> PSAB has initiated a review of sections PS3250 Retirement Benefits and PS3255 Post-Employment Benefits, Compensated Absences and Termination Benefits. In July 2020, PSAB approved a revised project plan. PSAB intends to use principles from International Public Sector Accounting Standard 39 Employee Benefits as a starting point to develop the Canadian standard. Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, PSAB will implement a multi-release strategy for the new standards. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues. PSAB released an exposure draft on proposed section PS3251, Employee Benefits in July 2021. Comments to PSAB on the proposed section were due by November 25, 2021. Proposed Section PS 3251 would apply to fiscal years beginning on or after April 1, 2026 and should be applied retroactively. Earlier adoption is permitted. The proposed PS3251 would replace existing Section PS 3250 and Section PS 3255. This proposed section would result in organizations recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations.



Appendix 2: Current developments and insights (continued)

Public sector accounting standards (continued)

Standard	Summary and implications
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> • PSAB is in the process of reviewing the conceptual framework that provides the core concepts and objectives underlying Canadian public sector accounting standards. • PSAB released four exposure drafts in early 2021 for the proposed conceptual framework and proposed revised reporting model, and their related consequential amendments. The Board is in the process of considering stakeholder comments received. • PSAB is proposing a revised, ten chapter conceptual framework intended to replace PS 1000 Financial Statement Concepts and PS 1100 Financial Statement Objectives. The revised conceptual framework would be defined and elaborate on the characteristics of public sector entities and their financial reporting objectives. Additional information would be provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts would be introduced. • In addition, PSAB is proposing: <ul style="list-style-type: none"> • Relocation of the net debt indicator to its own statement and the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained. • Separating liabilities into financial liabilities and non-financial liabilities. • Restructuring the statement of financial position to present non-financial assets before liabilities. • Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). • Removal of the statement of rereasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”. • A new provision whereby an entity can use an amended budget in certain circumstances. • Inclusion of disclosures related to risks and uncertainties that could affect the entity's financial position.



Appendix 2: Current developments and insights (continued)

Thought leadership – Local governments

Thought leadership	Overview	Link
Cities portal	KPMG in Canada provides insights and resources for municipalities on a variety of topics including achieving sustainable infrastructure, the new reality for government in Canada, drinking water supply and park access.	Link to Canadian portal
The Future of Local Government	The Future of Local Government report provides a Canadian perspective for how local governments can meet the rapidly changing needs and expectations of their stakeholders – the citizens, partners and leaders across diverse cities and communities they serve.	Link to Canadian portal
The Future of Cities	The Future of Cities report unpacks our KPMG Global research and insights on the future of local government, providing an international viewpoint. The report traces the unprecedented journey ahead. Cities worldwide are now poised at a significant inflection point, as their leaders realize that long-held 'one-size-fits-all' approaches to planning and policies will likely no longer work to shape cities for a future that is truly healthy, sustainable, efficient and prosperous for all.	Link to Global portal
The Future of Government	The Future of Government report considers all levels of government and provides additional perspective from the content in the Future of Local Government report. It discusses the opportunity for governments to consider a different vision of Canadian social systems and how they can adapt their operations to reflect the needs of a modern Canada.	Link to Canadian portal
CX Coffee Chats: Modernizing Government	As a result of the pandemic, government organizations have been faced with unprecedented demand for digital transformation in the delivery of services to Canadians. In the latest installment of the CX Coffee Chat series, industry specialists discuss the evolving needs of Canadians and the opportunities for government organizations to deliver online services citizens can count on.	Link to Canadian portal
20 Predictions for the Next 20 Years	This series looks at how new technologies could evolve and how these advances will change every facet of our lives, including the industries and sectors that drive them. We asked KPMG in Canada subject matter specialists, across industries and sectors, to tell us how they think the world will change in the next two decades. Specifically for local governments, the political and regulatory predictions may be especially relevant.	Link to Canadian portal
Cities portal	KPMG in Canada provides insights and resources for municipalities on a variety of topics including achieving sustainable infrastructure, the new reality for government in Canada, drinking water supply and park access.	Link to Canadian portal



Appendix 2: Current developments and insights (continued)

Thought leadership – Environmental, social, and governance (ESG)

Thought leadership	Overview	Link
Unleashing the Positive in Net Zero	CoP26 in Glasgow made some progress to tackling climate change but there is much more to do. At KPMG, we're committed to accelerating the changes required to fight climate change. Our Global portal provides links to further thought leadership to help drive real change.	Link to Global portal
KPMG Climate Change Financial Reporting Resource Centre	KPMG's climate change resource centre provides FAQs to help you identify the potential financial statement impacts for your business.	Link to Global portal
You Can't Go Green Without Blue – The Blue Economy is Critical to All Companies' ESG Ambitions	In this report, KPMG considers how leading corporates and investors can take action to capture the value that can be found in a healthy, sustainable ocean economy.	Link to Canadian portal
ESG, Strategy and the Long View	This paper presents a five-part framework to help organizations understand and shape the total impact of their strategy and operations on their performance externally – on the environment, consumers, employees, the communities in which it operates, and other stakeholders – and internally.	Link to Global portal
Inclusion and diversity practices	In 2021 societal changes brought more attention to inclusion and diversity. In this age of transparency, businesses must act proactively to implement strategic inclusion and diversity practices. It has become increasingly important for organizations to adopt I&D initiatives in order to foster an enjoyable work environment for their employees. Learn how to consider your own organizations' unique context, meet with the stakeholders you want to include, understand where they are at, and guide them along their own individual transformation journey.	Link to Canadian portal



Appendix 2: Current developments and insights (continued)

Thought leadership – Digital and technology

Resources	Summary	Links
Going digital, faster in Canada	Pre-COVID-19, private and public organizations were moving towards a digital business model, travelling at varying speeds. But the pandemic forced a dramatic acceleration, both in the speed of change and the required investment to digitally transform. According to Canadian insights from KPMG's recent global survey, organizations are investing heavily in technology to address immediate concerns, ranging from falling revenue and interrupted supply chains to building longer-term competitiveness and operational resilience.	Link to Canadian portal

Thought leadership – Board, Audit Committee and C-Suite

Resources	Summary	Links
Accelerate	Our Accelerate series offer insight into the key issues that will drive the Audit Committee agenda in 2022 in a number of key areas: cyber-related risk, digital transformation in the finance function, the 'Great Resignation' impacting finance, climate-related physical risks, enterprise risk management, and building a climate-conscious organization.	Link to Canadian Accelerate 2022 Insights series
KPMG 2021 CEO Outlook – Canadian Insights	This year we surveyed over 1,300 CEOs globally and the results are pointing to an optimistic outlook amongst Canadian CEOs. Some of the key themes coming out of the survey include expectations for aggressive growth through expansion, investment in both people and technology as well as a focus on delivering on environmental, social and governance (ESG) and sustainability commitments.	Link to Canadian portal
Board Leadership Centre + Audit Committee Guide	KPMG in Canada Board Leadership Centre engages with directors, board members and business leaders to discuss timely and relevant boardroom challenges and deliver practical thought leadership on risk and strategy, talent and technology, globalization and regulatory issues, financial reporting and more. The new Audit Committee Guide – Canadian Edition from our Board Leadership Centre provides timely, relevant and trusted guidance to help both new and seasoned audit committee members stay informed.	Link to Canadian portal Link to 2021 guide



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