

RECOMMENDATION:

That Committee of Council accept KPMG's Audit Planning Report for the 2019 financial statement audit.

REPORT SUMMARY

The City's financial statements auditors, KPMG LLP, have provided staff with an Audit Planning Report for the 2019 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 18, 2019 and year end field work is scheduled for the weeks of March 16 to 20 and April 6 to 10, 2020. The auditors anticipate presenting their 2019 audit findings report to the Committee on May 12, 2020.

Areas of audit focus for 2019 are development cost charges and the City's tangible capital assets (with a specific focus on the Community Centre capital project). Materiality has been set at \$2,200,000 (up from \$2,000,000 in 2018). 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.


Staff are currently developing processes and procedures to ensure compliance with the Asset Retirement Obligation (ARO) standard that is applicable for the 2022 financial statement year. The ARO standard is being implemented to ensure future legal obligations relating to the retirement of capital assets are recognized as liabilities by public sector entities (for example the removal of asbestos).

KPMG Audit Planning 2019

FINANCIAL IMPLICATIONS

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

OPTIONS (✓ = Staff Recommendation)

	#	Description
	1	Accept KPMG's Audit Planning Report for the 2019 financial statement audit
	2	Require additional information

ATTACHMENTS

Att#1: KPMG Audit Planning Report

Att#2: KPMG Audit Engagement Letter

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