



Subject: 2021 Audit Plan

To: Council

From: Corporate Services Department

Report Number: 2022-26

Meeting Date: February 8, 2022

Recommendation:

That Corporate Services Department Report 2022-26, be received for information.

Purpose:

This report provides Council with the Auditors' Audit Strategy for the financial statement year ending December 31, 2021. The Auditors' Audit Strategy document is attached as Appendix A.

Background:

The audit of the financial statements for the year ending December 31, 2021 will follow a similar timeline to that of the prior year. Presently, the closing of the year end is on schedule with staff expecting to complete and present to Council:

- A year-end surplus/deficit report and project close-out report in March 2022.
- The audited financial statements in April 2022 with the Financial Information Return (FIR) being filed at the same time. Staff identify the auditors are scheduled to begin the audit at the beginning of March 2022.

Page 12 of Appendix A, which is the Auditors' Audit Strategy document, outlines the following roles and responsibilities of Council with respect to the audit:

- Help set the tone for the organization by emphasizing honest, ethical behaviour and fraud prevention.
- Oversee management, including ensuring that management establishes and maintains internal controls to provide reasonable assurance regarding reliability of financial reporting.

- Recommend the nomination and compensation of external auditors.
- Oversee the work of the external auditors including reviewing and discussing the audit plan.

Discussion:

The Auditors' Audit Strategy contains the following:

Content	Management Comments
COVID-19 Financial reporting impacts	Note disclosure was included in the 2020 financial statements as a result of COVID-19. Similar disclosure is anticipated for the 2021 financial statements.
Audit plan and risk assessment (accompanied by auditors' Appendix A to City report Appendix A)	This section highlights the concept of materiality and the Auditors' approach to risk and how they will approach the audit.
Audit fees (accompanied by auditors' Appendix B to City report Appendix A)	On June 14, 2021, through report 2021-76, Council approved the recommendation to extend the City's engagement agreement with Grant Thornton. The new engagement agreement covers the 2022 to 2024 audits.
Team, timing and communications	Staff appreciates Grant Thornton's commitment to the City and their ability to accommodate the City's request for the audit to be performed in March 2022.
Technical updates – highlights (accompanied by auditors' Appendix C to City report Appendix A)	Staff continue to monitor. There is no impact for 2021.

Internal Consultations:

Financial Services has worked with departments throughout the fiscal year to ensure that City transactions are accounted for correctly. As part of preparing for the closing of the year, Financial Services communicated with departments key dates and deliverables.

Financial Implications:

The audit has been budgeted in accordance with the engagement letter on page 21 of Appendix A.

Public Engagement:

None.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Value: Financial Management to Achieve Financial Sustainability
 - Governance: Communications, Engagement, and Decision-Making
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Conclusion:

That Corporate Services Department Report 2022-26, be received for information.

Appendices:

- a. City of Port Colborne Communication of Audit Strategy 2021

Respectfully submitted,

Adam Pigeau
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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.