

Audit Committee Report

DATE: Monday, November 25, 2024

WARD(S): ALL

TITLE: 2024 EXTERNAL AUDIT PLANNING REPORT

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

ACTION: DECISION

Purpose

The Audit Committee's approval is requested on the 2024 Statutory Financial Statements External Audit Planning Report for the year ending December 31, 2024, as prepared and presented by KPMG [Attachment 1].

Report Highlights

- The statutory financial statements are a requirement prescribed by the *Municipal Act*, 2001 that shows the results of operations for the fiscal year and the financial position at the end of the fiscal year.
- The *Municipal Act* requires that the statutory financial statements be audited by an independent external auditor.
- KPMG LLP, our external auditor, has prepared the 2024 Statutory Financial Statements External Audit Planning Report for review and approval by the Audit Committee.

Recommendations

1. That the 2024 External Audit Planning Report for the year ending December 31, 2024, be approved; and
2. That the KPMG Audit Planning Report for the year ending December 31, 2024, and the presentation by KPMG [Attachment 1] be received.

Background

Section 296(1) of the *Municipal Act*, 2001 states, “a municipality shall appoint an auditor licensed under the Public Accounting Act, 2004 who is responsible for:

- a) Annually auditing the accounts and transactions of the municipality and its local boards and expressing an opinion on the financial statements of these bodies based on the audit; and
- b) Performing duties required by the municipality or local board.

KPMG was appointed as our external auditor in 2023 for a period of three years ending August 31, 2026, through a collaborative procurement process in accordance with the City’s Corporate Procurement Policy 15.C.03.

KPMG performs the following separate audits for the City of Vaughan:

- The Corporation of the City of Vaughan – Consolidated
- The Corporation of the City of Vaughan Public Library Board
- Board of Management for the Kleinburg Business Improvement Area
- The Corporation of the City of Vaughan Trust Funds
- Tourism Vaughan Corporation
- Statement of Revenue and Expenditure and Fund Balance of the Corporation of the City of Vaughan – Mayor’s Gala and Golf Events
- Vaughan Holdings Inc. (VHI) (owns 20.5% of Alectra Inc)
- Hydro Vaughan Energy Corporation (HVEC)
- 1446631 Ontario Inc. (not active)

Section 4.2.3 of the Audit Committee Charter requires the committee to:

“review the External Auditor’s proposed audit scope and approach, including coordination of efforts with Internal Audit”

The fiscal 2024 interim audit will be performed in December 2024 and the year-end audit will be performed in March and April of 2025 and is expected to be presented to the Audit Committee on May 26, 2025.

Previous Reports/Authority

N/A

Analysis and Options

N/A

Financial Impact

N/A

Operational Impact

N/A

Broader Regional Impacts/Considerations

N/A

Conclusion

Staff recommends that the 2024 External Audit Planning Report for the year ending December 31, 2024, prepared and presented by KPMG, LLP, as contained in Attachment 1 to this report, be approved.

For more information, please contact: Nancy Yates, Director of Financial Services and Deputy City Treasurer Ext 8984 or Marie Chan, Controller, Ext 8313.

Attachment

1. Audit Planning Report for the year ending December 31, 2024.

Prepared by

Nancy Yates, CPA, CA, BComm
Director of Financial Services & Deputy City Treasurer