

Audit Committee Report

DATE: Monday, November 22, 2021

WARD(S): ALL

TITLE: 2021 EXTERNAL AUDIT PLANNING REPORT

FROM:

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

ACTION: DECISION

Purpose

The Audit Committee's approval is requested on the 2021 External Audit Planning Report for the year ended December 31, 2021 prepared and presented by KPMG.

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, our external auditor, has prepared the 2021 External Audit Planning Report for review and approval by the Audit Committee.

Recommendations

1. The Audit Planning Report for the year ending December 31, 2021 be approved.
2. That the KPMG Audit Planning Report for the year ending December 31, 2021 and the presentation by KPMG be received. (Attachment 1)

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 2018 through an RFP procurement process for a period of two years with the ability to extend for three optional one-year terms subject to satisfactory performance and budget approval. The 2021 audit will be the second year of the three optional one-year terms.

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 Expenditures 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 outstanding 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 2021 interim audit will be performed starting in late November 2021 and the year-end audit will be performed in March and April of 2022 and will be presented to the Audit Committee in June 2022.

Previous Reports/Authority

Non Applicable

Analysis and Options

Non Applicable

Financial Impact

Non Applicable

Broader Regional Impacts/Considerations

Non Applicable

Conclusion

That the 2021 External Audit Planning Report for the year ended December 31, 2021 prepared and presented by KPMG be approved.

For more information, please contact: Dean Ferraro, Director of City Financial Services/Deputy Treasurer Ext. 8272 or Nancy Yates, Controller, Ext. 8984

Attachments

1. Audit Planning Report for the year ending December 31, 2021

Prepared by

Dean Ferraro CPA, CA
Director of Financial Services, Ext. 8272

Approved by



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