



# AUDIT COMMITTEE AGENDA

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Audit Committee Meeting  
**Tuesday, October 27, 2015**  
Tom Davies Square

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**COUNCILLOR MIKE JAKUBO, CHAIR**

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**Deb McIntosh, Vice-Chair**

4:00 p.m. AUDIT COMMITTEE MEETING  
COUNCIL CHAMBER

Council and Committee Meetings are accessible. For more information regarding accessibility, please call 3-1-1 or email [clerks@greatersudbury.ca](mailto:clerks@greatersudbury.ca).

## **DECLARATIONS OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF**

## **PRESENTATIONS**

1. Report dated September 30, 2015 from the General Manager of Assets and Finance/Chief Financial Officer regarding 2015 External Audit Planning Report. **4 - 35**  
**(ELECTRONIC PRESENTATION) (RECOMMENDATION PREPARED)**

- Michael Hawtin, Partner, PricewaterhouseCoopers LLP

(The City of Greater Sudbury's Auditors will be presenting the External Audit Planning Report with respect to the 2015 year-end. The purpose of the presentation is to provide information to the Audit Committee relating to the activities of the City External Auditors in discharging their audit responsibilities.)

## **REGULAR AGENDA**

### **MANAGERS' REPORTS**

- R-1. Report dated September 22, 2015 from the Interim Auditor General regarding Whistle Blower Hotline Costs and Management Options. **36 - 41**  
**(FOR INFORMATION ONLY)**

(Cost of whistle blower hotline establishment, maintenance and operation.)

### **ADDENDUM**

### **CIVIC PETITIONS**

### **QUESTION PERIOD AND ANNOUNCEMENTS**

### **NOTICES OF MOTION**

## **ADJOURNMENT**

## Request for Decision

### 2015 External Audit Planning Report

Presented To:	Audit Committee
Presented:	Tuesday, Oct 27, 2015
Report Date	Wednesday, Sep 30, 2015
Type:	Presentations

### Recommendation

THAT the City of Greater Sudbury approves the 2015 External Audit Plan as outlined in the report dated October 27, 2015 from PricewaterhouseCoopers LLP.

### BACKGROUND

In accordance with generally accepted auditing standards, an annual audit plan must be approved by the Audit Committee. The objective of the audit plan is to identify audit areas and systems that will be reviewed during the external audit, explain the audit approach to be used, provide information with respect to the scope and timing of the audit and identify specific issues for the year under review.

Our external auditors will be presenting an overview of their External Audit Planning Report with respect to the 2015 year-end. The full External Audit Planning Report is attached.

Michael Hawtin from PricewaterhouseCoopers will be presenting the External Audit Planning Report. The purpose of the presentation is to provide information to the Audit Committee relating to the activities of the City External Auditors in discharging their audit responsibilities.

#### Signed By

**Report Prepared By**

Christina Dempsey  
Co-ordinator of Accounting  
*Digitally Signed Sep 30, 15*

**Division Review**

Lorraine Laplante  
Manager of Accounting  
*Digitally Signed Sep 30, 15*

**Recommended by the Department**

Lorella Hayes  
General Manager of Assets and  
Finance/Chief Financial Officer  
*Digitally Signed Oct 2, 15*

**Recommended by the C.A.O.**

Kevin Fowke  
Acting Chief Administrative Officer  
*Digitally Signed Oct 14, 15*

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# *City of Greater Sudbury audit plan*

## Year ending December 31, 2015

*City of  
Greater Sudbury*

*For presentation to  
the Audit Committee  
on October 27, 2015*



# The PwC Audit

I am pleased to present our audit plan in respect of the audit of the City of Greater Sudbury (the City) for the year ending December 31, 2015.

In developing our audit approach for fiscal 2015, we have worked closely with management to understand the development of the business over the last year and to reflect this in how we undertake our audit of the City.

In the planning we have undertaken to date, we have enjoyed open discussions with management.

We look forward to continuing to work with you and discussing your views on our plan at the Audit Committee meeting on October 27, 2015.

*PricewaterhouseCoopers LLP*

Michael Hawtin  
Partner, Assurance

September 30, 2015

1. Understanding your operations

2. Focus on key risks

3. Robust testing approach

4. Insightful recommendations for you

*PwC's audit is based on a foundation of integrating highly skilled people, a robust audit approach and market leading technology. This, together with our four-step audit process, results in an audit that is robust, insightful and relevant.*



People



Approach



Technology



The PwC Audit

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The matters raised in this and other reports that will flow from the audit are only those that have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising and, in particular, we cannot be held responsible for reporting all risks in your organization or all internal control weaknesses. This report has been prepared solely for your use. It was not prepared or intended for any other purpose. No other person or entity shall place any reliance on the accuracy or completeness of statements made herein. PwC does not assume responsibility to any third party and in no event shall PwC have any liability for damages, costs or losses suffered by reason of any reliance on the contents of this report by any person or entity other than you.

# Our audit approach

## 1. Understanding your organization



*Our business understanding is far deeper than the traditional audit agenda, reflecting the increased complexity of business today.*

Our audit is based on a series of elements that ensure quality, rigour, relevance and the highest level of professionalism. It also has to ensure regulatory compliance in an increasingly complex and more demanding reporting environment.

Our responsibilities include issuing an independent opinion on the consolidated financial statements of the City, together with opinions in respect of certain program audits, where required.

Our audit risk assessment, strategy and approach is built on a firm understanding of the City's operations.

This understanding is enhanced by the breadth of commercial expertise and experience both within the audit team and the wider firm and which enables us to provide meaningful perspectives on your operations.

Area	Understanding	Observations/impact on the audit
Control environment	<p>Employee Handbook provided to all employees which includes details on areas such as employment rules and policies (conduct at work, conflict of interest), complaint process, etc.</p> <p>Council/Audit Committee meet regularly to review and discuss the City's performance and various organization and operational activities.</p>	<p>Control environment appropriate for the size and complexity of the organization.</p> <p>We would expect management to periodically reassess the appropriateness of the control environment in the event of any significant changes to the City's operations.</p>
Risk assessment	<p>Strategic objectives and operating and capital budgets are presented to Council annually with updates on a regular basis throughout the year.</p> <p>Discussions are held with Council in respect of managing significant changes to the City's operations including understanding risks and their impact on the City.</p>	<p>Risk assessment procedures are adequate for the size and complexity of the operations.</p>



Information and communication	Different finance systems are used across the organization; the City has a dedicated Information Technology (IT) department that has responsibility for determining and executing IT strategy and governance.	Based on audit testing over the City's computer systems performed in the prior years (as part of the financial statement audit), opportunities may exist to formalize and strengthen internal controls in certain areas within the IT department (as summarized in our management letters we issued to the City in prior years).
Monitoring of internal controls	An auditor general department exists, which periodically monitors and reports on a variety of matters including the implementation and effectiveness of controls.	We understand that Council hired a new auditor general (AG), effective December 2015.
Control activities	The City has systems and processes that are fairly standardized across its operations.	Key business processes relevant to the preparation of the financial information are appropriate for the size and scale of the organization.

## 2. Focus on materiality and key risks



*Our focus is on those risks that could have a material impact on financial reporting*

### **Materiality**

Materiality is a concept that relates to the importance of a transaction or balance in the context of the financial statements. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Determining what is material is based on professional judgment and audit experience.

We determine a single quantitative level of overall materiality based on the unconsolidated operating expenditures (budget) for the City for the full year. Our Summary of Uncorrected Misstatements (SUM) reporting level indicates the level at which all audit adjustments must either be posted or reported to the Audit Committee. Our planned materiality for 2015, based on the latest available forecasts, is as follows:

<b>Materiality threshold</b>	<b>Amount</b>	<b>What is it used for?</b>
Overall materiality <sup>1</sup>	\$10.3 million	<ul style="list-style-type: none"><li>Identifying and assessing risks of material misstatement</li><li>Determining the nature, timing and extent of our work</li></ul>
SUM reporting level	\$514,000	<ul style="list-style-type: none"><li>We will report to the Audit Committee all individual unadjusted differences greater than \$514,000, including disclosure exceptions</li></ul>

<sup>1</sup> Our materiality calculation is based on budgeted results. If there's a significant change, we'll communicate changes to the Audit Committee at year-end.

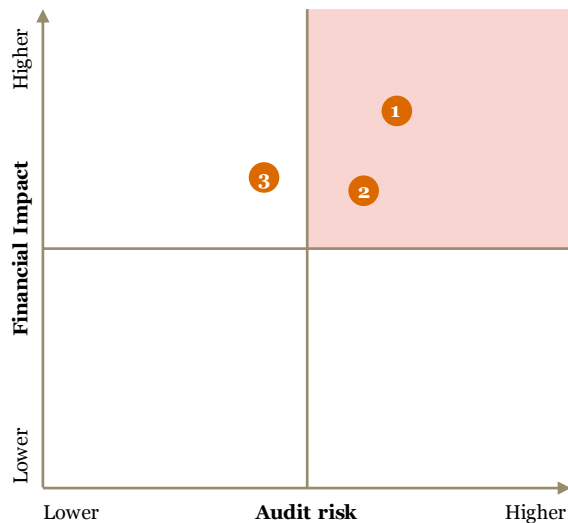
### **Determining audit risks**

Our risk assessment process includes identifying risks of material misstatement for the audit and this determines how much audit evidence we require for each audit area. To do this we consider:

- Macro-level factors related to the economy and the jurisdictions the entity operates in
- Organizational specific risks and their potential impact on financial reporting and audit risks
- The impact of changes in the regulatory and financial reporting environment. A summary of these changes is set out in Appendix D. We have not identified any audit risks arising from our consideration of changes in the regulatory and financial reporting environment.

## City of Greater Sudbury risk assessment

Having calculated materiality and taking in to consideration the likelihood of occurrence and the potential financial impact, we determine whether the risks identified are significant or not. Our risk assessment approach for the City is shown below. We are interested in receiving feedback from you about our assessment of these risks and whether you have identified any other areas of focus or concern



● Unchanged risk

### Significant audit risks

1. Management override of controls\*
2. Fraud in revenue recognition-government transfers\*

### Other audit risks

3. Significant accounting estimates

Our risk assessment and response for 2015 is as follows:

<b>Risk</b>	<b>Rationale for identification and impact of risk</b>	<b>Key aspects of our proposed audit approach</b>
<b>Fraud risk - management override of controls</b>	<p>Canadian auditing standards require auditors to plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud.</p> <p>There is a potential risk of misappropriation of assets or manipulation of results.</p>	<p>Understand management's assessment of the risk and the overall control environment in place. This includes evaluating the City's policies and procedures related to segregation of duties and access parameters established in PeopleSoft.</p> <p>Regular discussions with management to understand any new risks or matters identified.</p> <p>Obtain a list of the manual journals and confirm its completeness. A sample of</p>

<b><i>Risk</i></b>	<b><i>Rationale for identification and impact of risk</i></b>	<b><i>Key aspects of our proposed audit approach</i></b>
		<p>manual journals will be tested, focusing on riskier journals and periods.</p> <p>Unpredictable testing of certain balances, for example those that are immaterial or would not normally be included in our testing.</p> <p>Detailed audit work will be focused on areas where fraud could be committed and where there is less segregation of duties. All areas will be addressed with professional skepticism and management's explanations corroborated by supporting evidence.</p>
<b>Revenue recognition - Government Transfers</b>	<p>Auditing standards assume a rebuttable presumption, that there is a significant risk of fraud in revenue recognition in all organizations.</p> <p>We have considered the following criteria in assessing the risk:</p> <ul style="list-style-type: none"> <li>• complexity of revenue recognition policy and type of transactions;</li> <li>• incentive/pressure to fraudulently misstate revenue transactions or related balances; and</li> <li>• potential opportunity and rationalization.</li> </ul> <p>We consider the risk to be the revenue recognized from government transfers which is based on specific contracts and arrangements with governmental organizations that can be subject to management judgment with respect to the timing of revenue recognition.</p> <p>There is a risk that revenue is not recorded in the financial statements in the correct accounting period.</p>	<p>Update our understanding of management processes and internal controls surrounding revenue recognition and assess the accounting policies adopted by the City for recognizing revenue and ensure that this is in accordance with public sector accounting standards.</p> <p>Perform substantive tests of detail over revenue, accounts receivable and deferred revenue accounts including examining reconciliations of deferred revenue accounts (by reserve fund), obtaining confirmation of annual obligatory funding with third party sources (i.e. various Ministries) and test other movements in the deferred revenue accounts to supporting documentation (i.e. agree to contracts, vendor invoices, etc.) and to the corresponding entry to the revenue general ledger accounts.</p> <p>We will continue to review the City's significant agreements and management's analysis with respect to the recognition of revenue under the standard PS 3410, Government Transfers.</p>

<b><i>Risk</i></b>	<b><i>Rationale for identification and impact of risk</i></b>	<b><i>Key aspects of our proposed audit approach</i></b>
<b>Significant accounting estimates</b>	<p>The preparation of the City's financial statements requires the use of accounting estimates that are subject to management judgment in the following significant areas:</p> <ul style="list-style-type: none"> <li>• Environmental liabilities (including closure and post-closure costs for active and inactive landfill sites and potentially contaminated sites);</li> <li>• Employee benefits;</li> <li>• Provisions related to property taxes; and</li> <li>• Contingent liabilities.</li> </ul>	<p>Meet with management and staff responsible for establishing these provisions to understand the key assumptions and validate and benchmark these estimates against our own expectations. Test management's calculations, supporting data and assumptions used in these calculations.</p> <p>Assess the competency and objectivity of specialists engaged by the City to assist with the calculation of estimates.</p> <p>Incorporate internal specialists into our engagement team, if necessary, to assess the appropriateness of the methodology and accounting estimates applied.</p>

### ***Cyber resilience – emerging risk***

As part of our investment in the City and to stay alert to emerging risks, PwC performed a set of specified procedures regarding cyber resilience on key systems at the City in 2015. These procedures were performed in conjunction with our regularly scheduled IT work and consisted of interviews, surveys and review of the security controls audit work. We have reported back our findings, including some recommendations to strengthen and formalize certain processes, as a value added service to management.

### ***Your views on fraud***

Auditing standards require us to discuss fraud risk annually with the Audit Committee. Part of your governance role is also to consider the fraud risks facing the City and your responses to those risks. Our planned assessment of fraud risk is detailed in Appendix A.

### ***Question 1***

Required discussion	<ul style="list-style-type: none"> <li>• Through our planning process (and prior years' audits), we developed an understanding of your oversight processes including: <ul style="list-style-type: none"> <li>– Employee handbook which includes areas such as employment rules and policies (conduct at work, conflict of interest, duty of fidelity), compliant process etc.;</li> <li>– Audit Committee (and other) charters;</li> <li>– Discussion at Audit Committee meetings and our attendance at those meetings;</li> <li>– Presentations by management;</li> <li>– Review of related party transactions;</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>– Consideration of tone at the top; and</li> <li>– Auditor General's Office.</li> </ul> <ul style="list-style-type: none"> <li>• Are there any new processes or changes to the above that we should be aware of?</li> </ul>
Notes	

## Question 2

Required discussion	<ul style="list-style-type: none"> <li>• We are not aware of any fraud at the current time.</li> <li>• We would like to ask: Are you aware of instances of actual, suspected or alleged fraud affecting the organization?</li> </ul>
Notes	

## Scoping the group audit

Our engagement team is under the direction of Michael Hawtin.

In this capacity, he is responsible for the overall quality of the delivery of our audit services as well as the consistent application of our audit methodology.

The audit of the financial statements of the City of Greater Sudbury will be based out of the offices located at 200 Brady St. As PwC has been engaged to perform separate stand-alone audits of the City's agencies and boards (such as Greater Sudbury Utilities Inc. and Sudbury Housing Corporation), we will also be performing separate audits at their respective offices.

Since the financial statements of the City includes the agencies, boards and commissions that are controlled by the City, we will rely on the audit work completed by these PwC teams to assist in forming our opinion of the financial statements of the City.

We have taken the following steps to ensure the overall quality of the audit engagement:

- issued formal instructions to the local agencies and boards audit teams leveraging the work of the individual audits;
- arranged for continuous communication throughout our engagement team between the City and agencies and boards audit teams;
- arranged for debriefing conference calls with management and respective local audit teams to review results and findings of work performed; and
- planned adherence to engagement timelines in order to meet your reporting objectives.

### 3. Robust testing approach



*We design a tailored testing plan for each balance within the financial statements, optimizing the balance between tests of detail, controls testing, validation of judgments and data techniques.*

#### ***Audit approach and testing strategy***

The composition of our audit testing is fundamental to the effectiveness of audit evidence. We are transforming the way we approach our audit work in a number of ways, including the use of a wider range of specialists, the use of new data analytical tools, and the integration of new software, much of it mobile. The objective is to improve your experience, build quality further into our processes and technology, provide a deeper level of insight into your business and offer meaningful work for our people.

Our approach optimizes the balance between tests of detail, controls testing, validation of judgments and data techniques. The balance between each of these is largely dependent on the quality and structure of your financial control environment along with the assessed level of risk. As a result, we have a tailored testing plan for each balance within your financial statements. A summary of our proposed testing strategy is shown in Appendix B.

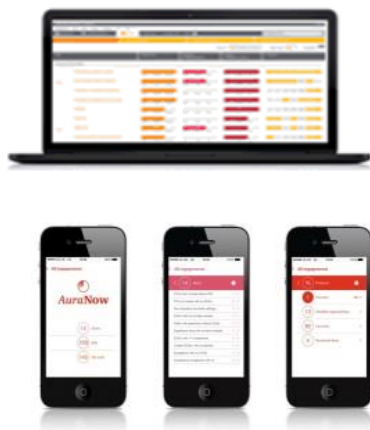
Where possible we seek to obtain our audit evidence from tests of controls, aligned to the way management controls and monitors the business.

#### ***When we do our work***

Our audit is designed to get ahead of issues to ensure we deliver a no surprises audit at year-end. We engage early, enabling us to discuss matters with you while not getting ahead of management's decision making. We have summarized our formal communication plan and audit timetable in Appendix C.

#### ***Using technology to optimize our approach***

We are driving audit innovation, with technology at its heart. Our investments in technology enable us to drive quality, improve efficiency and provide greater insights to you.

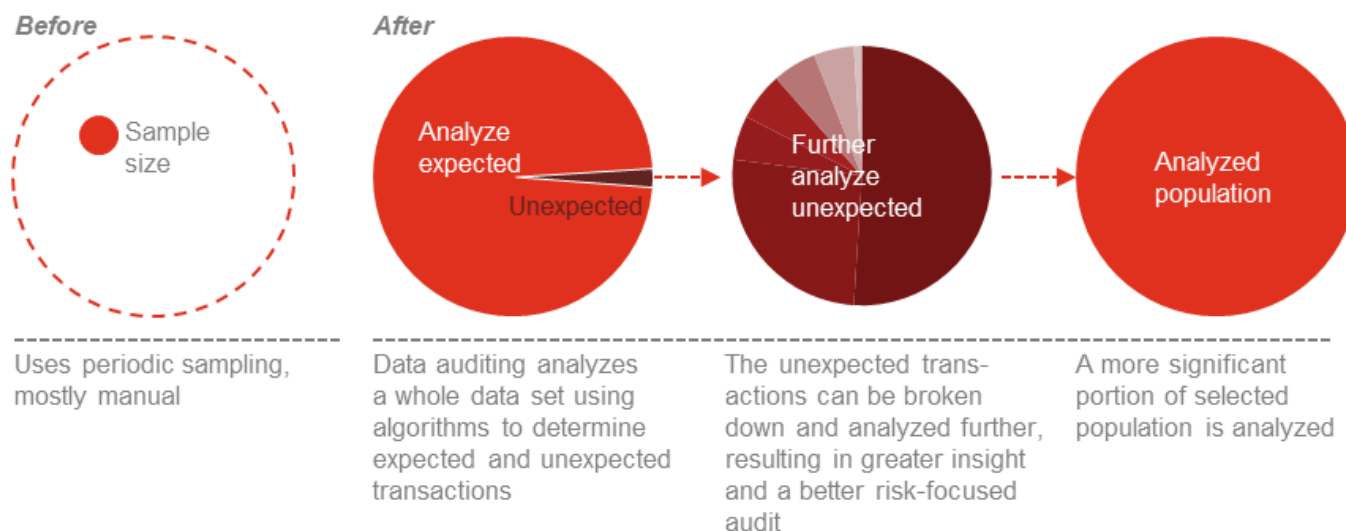


Aura is our audit software. It is a single instance application that powers our audit globally with the ability to automate the audit workflow and control, review and report real-time progress. Our methodology is embedded within Aura and uses a systematic risk based approach, meaning we focus on the things that matter.

Aura now enables senior team members to monitor engagement progress and quality in real time with alerts to highlight where attention is needed most.

## The PwC data auditing approach

We challenge ourselves to consider where we can use data auditing as part of our audit strategy to obtain sufficient appropriate audit evidence. Substantive evidence can often be obtained through data auditing in a much more efficient way. We use data intelligently to deliver market leading assurance and unique business insight. In this way, risk is reduced, value is extracted and information is turned into knowledge.



Consistent with prior years, for the fiscal 2015 audit, we will use data auditing techniques in our audit of journal entries.

The benefits of using data auditing techniques are:

<b>Quality</b>	<b>Efficiency</b>	<b>Experience</b>	<b>Insight</b>
<ul style="list-style-type: none"> <li>All transactions are interrogated and analyzed.</li> <li>Coverage levels from substantive audit tests are increased.</li> <li>Audit focus is directed on higher risk transactions.</li> </ul>	<ul style="list-style-type: none"> <li>Testing can be performed off-site and throughout the year.</li> </ul>	<ul style="list-style-type: none"> <li>The finance team spends less time providing supporting documentation for the audit.</li> <li>We are able to gain a better understanding of the organization with less time spent on detailed audit testing.</li> </ul>	<ul style="list-style-type: none"> <li>Greater visibility is provided over operational activities and transactions.</li> <li>Patterns in data are identified.</li> <li>Benchmarking can be performed, e.g. between different locations or divisions.</li> </ul>



## Halo for Journals



Halo is our market leading assurance technology that visualizes information. It is focused on helping teams provide deeper insights. It enhances the audit by using intelligent algorithms to better identify and assess risks and determine where to focus audit effort.

Halo allows for focused transaction testing and provides a window on your operations. Its analytical and visualization capability allows us to analyze patterns and trends in real time, to identify unusual and high risk transactions and to provide valuable insight.

## Connect



This collaborative workflow tool provides fast, efficient and secure information sharing at every stage of the audit between you and us. It allows all stakeholders to track the status of audit deliverables in real time, providing visibility over the audit process.

It's available on smartphones, tablets and desktops, allowing both you and us to check progress on the go – anytime, anywhere.

***Our PwC Assurance Transformation is a journey and we are committed to investing in further innovation to drive quality and enhance your experience while providing more insight.***

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## 4. Insightful recommendations for you



*Our audit gives us insight and access to the City's people, operations and processes. Sharing our views and insights are a key aspect of what we do and how we work with the City.*

We know the outcome and output of our audit is important and has relevance to a range of stakeholders. Our primary responsibility is to the City's stakeholders. However, we report to, and work with, those charged with governance, Council and management. The feedback we have received following the prior year audit (with members of Council and senior management) has again confirmed the importance of sharing our views and perspectives as well as meeting our formal reporting obligations.

Therefore, as part of our work you want us to ensure we provide audit opinions and ensure we also provide insights, our own analyses and our views as summarized below.

We will continue to seek feedback to understand what really matters to you. Through this dialogue we can understand and commit to your expectations and deliver value. For the 2015 year, we will continue to provide our perspectives on the City's internal controls and processes based on our understanding, evaluating and testing of internal controls that we plan to rely on as part of the financial statement audit.

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## Other matters

### 5. The PwC team

Our people are a key element of our Assurance transformation journey. Our people are proud to be auditors. They bring intelligence, passion and curiosity to their work and they draw on the breadth of their experiences and relationships to provide a tailored, risk focused approach to the audit. They care about their work and the people they work with.

Underpinning everything is integrity — our people want to do the right thing. They take pride in delivering on the **PwC**

**Experience** by putting themselves in your shoes, sharing and collaborating with you, investing in their relationship with you, and focusing on enhancing value to help you succeed.

#### ***The right experience where it counts***

The individuals in your City PwC team combine a detailed knowledge of the City, the broader public sector, and working with other major cities in Canada. This experience is leveraged where it matters to you. Michael Hawtin has extensive municipal and public sector experience. As the engagement leader, he brings this experience in his interactions with senior management and with our audit team, realizing the benefits of his experience in managing various stakeholders and leading large and complex PwC teams.

#### ***Continuity***

We understand continuity of the audit team is important to you and that our team fit with the culture of your organization and the way you operate. We are committed to ensuring we maintain as much continuity within our core teams as possible, as well as in the specialist experts who support them in accounting, actuarial, environmental and information technology.

#### ***Review and supervision***

A key element in achieving audit quality is review and supervision by more experienced team members. The engagement leader is responsible for ensuring review responsibilities are planned and performed appropriately. In addition, a quality review partner (QRP) has been assigned to this engagement. The role of the QRP is to discuss significant matters with the engagement leader, consider the team's evaluation of independence, review the financial statements and draft auditor's report, review selected documentation in the working paper file related to significant judgments made by the audit team, assess whether appropriate consultation has taken place and evaluate conclusions made by the team.



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### ***How we work***

Our people take pride in delivering the **PwC Experience** by putting ourselves in your shoes, sharing and collaborating with you, investing in our relationship with you, and focusing on enhancing value to you. A key enabler to the PwC Experience is something we call **Enhanced Working Practices (EWP)**.

EWP is our award winning proprietary team based learning approach, modelled through our unique relationship with world-class teaching hospitals where learning occurs on the job while addressing real-time issues. At the heart of our EWP approach is the concept of “Teach Don’t Tell,” a coaching technique that uses probing questions to develop our people, in order to gain a deeper understanding of a situation and to help them arrive at the correct solution themselves, instead of providing answers.

Using our five EWP routines shown on the right results in benefits to you:

- A strong understanding of your operations
- Significant reduction of repetitive questions from our team
- Collaborative interactions and experiences with your team
- Improved quality and speed of decision making from our team
- A cohesive team and overall approach
- Continuous dialogue on what went well and what needs to be improved
- A focus on building stronger relationships with you



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## ***6. Independence***

### ***Independence***

As auditors, we are required to comply with the fundamental principles of objectivity, integrity, audit quality and professional behaviour, including independence. Our global independence systems continue to provide real-time identification of independence issues. Our most recent independence letter to the Audit Committee was issued in May 2015. We are not aware of any new independence matters of which we need to make the Audit Committee aware.

At the date of this report we confirm we are independent of the City of Greater Sudbury.

## ***7. Audit fees***

In accordance with our response to the City's request for a quote dated June 2, 2014 and our audit engagement letter dated October 21, 2014 covering the two-year contract period for the year ended December 31, 2014 and for the year ending December 31, 2015, our fees for the 2015 audit of the financial statements of the City are \$93,000.

We'll advise management if we incur more costs due to changes in the level of effort or scope changes. Our draft terms of engagement are included in Appendix E.

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# *Appendices*

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## ***A. Fraud risk assessment***

### ***Responsibilities***

Auditing standards state that as auditors we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The respective responsibilities of auditors, management and those charged with governance are summarized below:

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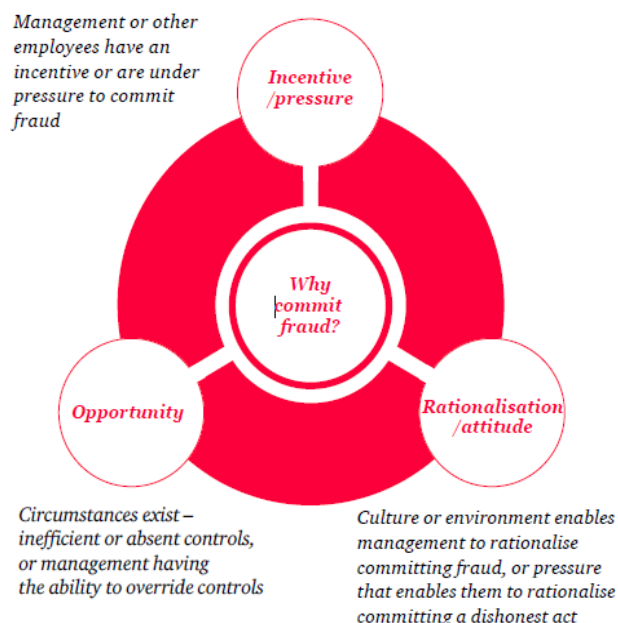
<b><i>Auditor's responsibility</i></b>	<p>Our objectives are:</p> <ul style="list-style-type: none"><li>• to identify and assess the risks of material misstatement of the financial statements due to fraud;</li><li>• to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and</li><li>• to respond appropriately to fraud or suspected fraud identified during the audit.</li></ul>
<b><i>Management's responsibility</i></b>	<ul style="list-style-type: none"><li>• management's responsibilities in relation to fraud are:</li><li>• to design and implement programs and controls to prevent, deter and detect fraud;</li><li>• to ensure the entity's culture and environment promote ethical behaviour; and</li><li>• to perform a risk assessment that specifically includes the risk of fraud addressing incentives and pressures, opportunities, attitudes and rationalization.</li></ul>
<b><i>Responsibility of the Audit Committee</i></b>	<ul style="list-style-type: none"><li>• Your responsibilities as part of your governance role are:</li><li>• to evaluate management's identification of fraud risk, implementation of anti-fraud measures and creation of an appropriate tone at the top; and</li><li>• to investigate any actual, suspected or alleged instances of fraud brought to your attention.</li></ul>

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## Conditions under which fraud may occur

The likelihood of the auditor not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error, because fraud may involve collusion and be supported by sophisticated and carefully organized schemes designed to conceal it. Fraud risk is considered at each business unit and local audit procedures are tailored in order to mitigate this risk.

## Conditions under which fraud may occur



Below we have set out the key areas of fraud risk and the audit procedures we plan to undertake in these areas.

Area	Impact on audit	Audit procedures
Deliberate manipulation of results and management override of controls	Highest	<ul style="list-style-type: none"> <li>We review significant journal entries and post-closing adjustments.</li> <li>We perform analytical review of the entity's results.</li> <li>We assess the overall control environment and the tone at the top of the organization.</li> </ul>
Control environment	High	<ul style="list-style-type: none"> <li>Make enquiries of senior management and the Audit Committee.</li> <li>Evaluate the City's anti-fraud programs, compliance procedures and controls.</li> </ul>
Balances where a high degree of judgment is required	Medium	<ul style="list-style-type: none"> <li>We perform specific procedures on more judgmental items such as provisions.</li> </ul>
Fraud through internal control weaknesses	Low	<ul style="list-style-type: none"> <li>We review and test the operation of key controls as part of our audit of internal control over financial reporting; these key controls include employee handbook and Audit Committee charter.</li> <li>We review the work performed by management and follow up any issues identified.</li> </ul>
Misappropriation of assets	Low	<ul style="list-style-type: none"> <li>We confirm significant bank balances to third party confirmations.</li> </ul>



## B. Audit testing strategy

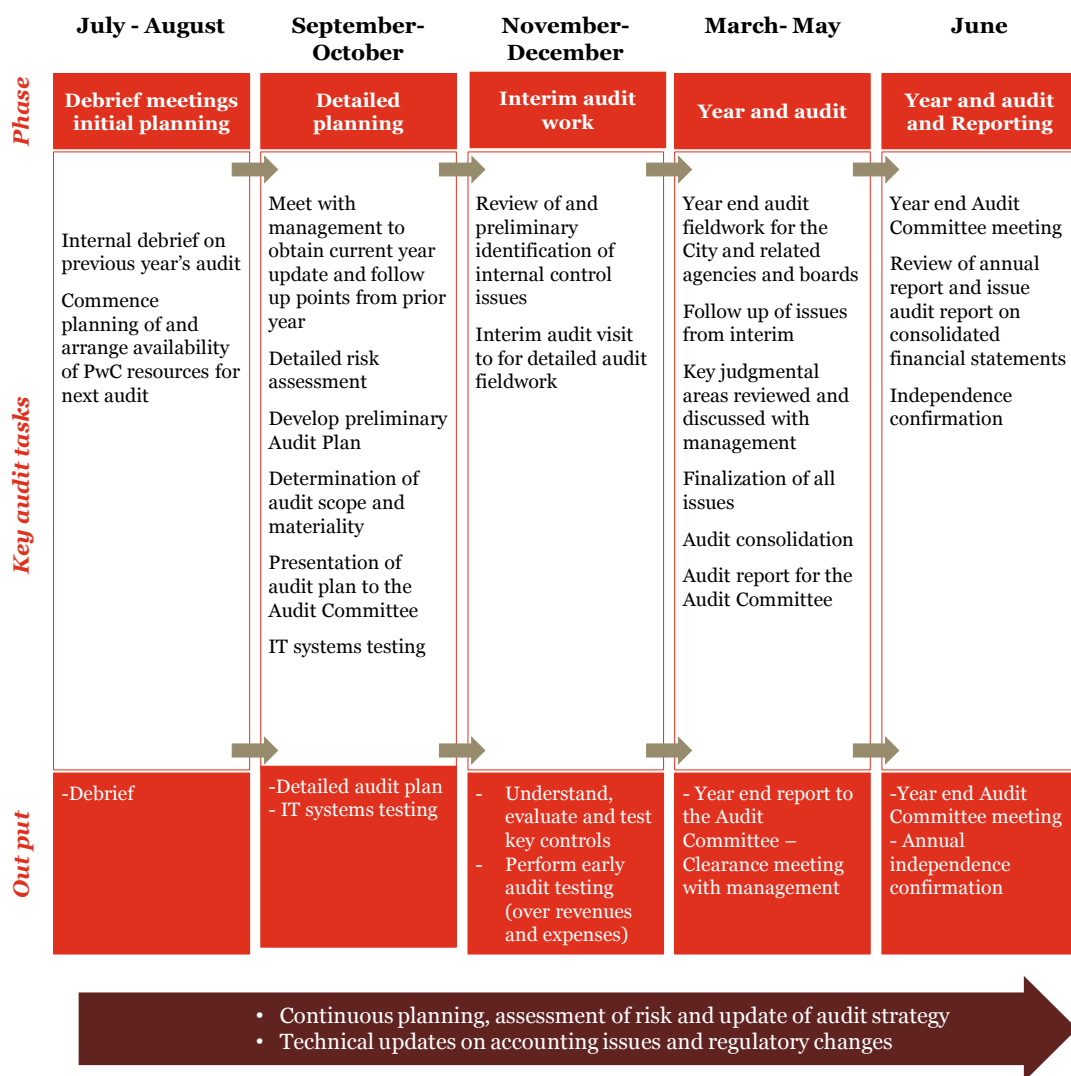
Our testing strategy can be summarized as follows:

<i>Type of test</i>	<i>Where used</i>
Confirmation	Cash, Investments, Government grant funding and Property taxes (revenues), Legal claims
Internal control testing	Purchases/payments cycle, Payroll
Key reconciliations	Balance sheet accounts
Analytical procedures	Depreciation expense, property taxes receivable, water and wastewater revenues, investment income, interest expense
Auditing estimates	Property tax provision, landfill closure liability, environmental liabilities, employee benefit obligations
CAATs	Manual journal entries
Specialists	Actuaries – post employment benefit obligation

	Inherent risk		Expected controls reliance		Planned substantive evidence	
	Normal	Significant	None	Partial	Low	High
Management override of controls		■	■			■
Cash and Investments	■			■	■	
Property taxes – revenue and receivables	■		■		■	
Government transfers – revenue & deferred revenue		■	■			■
Investment in government business enterprises	■		■		■	
Expenses & accounts payable and accrued liabilities	■			■	■	
Employee benefit obligations	■		■		■	
Solid waste management facility liability	■		■		■	
Long-term liabilities	■		■		■	
Tangible capital assets	■			■	■	
Revenues (other than property tax and government transfers)	■		■		■	
Payroll	■			■	■	

## C. Audit timetable and communication plan

The diagram below shows the activities that make up the annual audit cycle at the City and the outputs generated at each phase of our annual audit. Where possible, we strive to do work early to allow for early identification of issues and to reduce demands on your staff at the year-end audit. Regular touch points allow for more feedback from you so that we can mutually agree improvements to the process as we go.



## ***D. Recent developments***

We outline the latest developments in accounting standards that will have an impact on your financial statements, along with the expected impact of the changes and time frame for implementation. These developments have been categorized as follows:

●	Significant	Developments most relevant to the City and potentially significant changes to the City's financial statements.
●	Moderate	Moderate level of impact and/or changes to the City's financial statements.
●	Minor	Minor changes to the City's financial statements.
●	No impact	Developments included for information only – not considered to have a significant impact on the City's financial statements.

### ***a. Related party disclosures ●***

Section PS 2200, Related Party Disclosures, was issued in March 2015 and is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted and this section would be applied prospectively. This section provides guidance on the definition and identification of related parties including key management personnel and establishes disclosures required for related party transactions.

### ***b. Inter-entity transactions ●***

Section PS 3420, Inter-entity Transactions, was issued in March 2015 and is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. This standard establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section provides guidance on the recognition, measurement, presentation and disclosure of inter-entity transactions.

### ***c. Assets ●***

Section PS 3210, Assets, was issued in June 2015 and is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. This section addresses the basic concepts and definition of assets, similar to the standard that already exists for liabilities (Section PS 3200). It provides additional guidance on the various components of assets definition (economic resources, control, past transactions or events, and future economic benefits), and establish general disclosure standards for assets.

### ***d. Contingent assets ●***

Section PS 3320, Contingent assets, was issued in June 2015 and is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. This section addresses the basic concepts and general application standard on contingent assets, similar to the standard that already exists for contingent liabilities (Section PS 3300). It provides additional guidance on definition of contingent assets and establish general disclosure standards for contingent assets.

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## **e. Contractual rights ●**

Section PS 3380, Contractual rights, was issued in June 2015 and is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. This section addresses the general application on contractual rights, similar to the standard that already exists for contractual obligations (Section PS 3390). It provides additional guidance on definition of contractual rights and application indications and establish general disclosure standards for contractual rights.

## **f. Restructuring transactions ●**

Section PS 3430, Restructuring transactions, was issued in June 2015 and is effective for fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted. Section PS 3430:

- a) defines a restructuring transaction;
- b) distinguishes restructuring transactions from other similar transactions;
- c) distinguishes restructuring-related transactions from restructuring transactions;
- d) establishes how assets and liabilities transferred in a restructuring transaction should be recognized and measured; and
- e) sets out presentation and disclosure requirements.

## **g. Financial instruments and financial statement presentation ●**

Section PS 3450, Financial Instruments, is effective for governments for periods beginning on or after April 1, 2019. This section provides guidance on the recognition, measurement, presentation and disclosure of financial instruments. Derivatives and portfolio investments that are equity instruments quoted in an active market are measured at fair value. Other financial instruments may be elected as measured at fair value under certain conditions.

Concurrent with the adoption of Section PS 3450, organizations must adopt Section PS 1201, Financial Statement Presentation (replacing Section PS 1200), Section PS 2601, Foreign Currency Translation (replacing PS 2600) and Section PS 3041, Portfolio Investments (replacing PS 3040). These new standards require presentation of a new primary statement – the statement of re-measurement gains and losses – reporting various unrealized gains and losses and may also change the accounting for long-term foreign currency monetary items.

## **h. Other projects**

Other significant projects that are in progress by the Public Sector Accounting Board:

- *Asset Retirement Obligations* – This project will address the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of long-lived tangible capital assets currently in productive use. In August 2014, PSAB issued a Statement of Principles that addresses the accounting and reporting of retirement obligations associated with tangible capital assets controlled by a public sector entity. PSAB sought comments on its Statement of Principles by November 21, 2014. An exposure draft for a new standard is expected in the second half of fiscal 2015. Our audit national public sector leader is the chair of the PSAB task force on this project.
- *Revenues* – This project is to develop additional principles for revenue recognition principles that apply to sources of revenue other than government transfers and tax revenue. It is a wide-reaching project seeking to address recognition, measurement and presentation of revenues that are common in the public sector. In

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August 2013, PSAB issued a statement of principles containing proposals that will affect the reporting of a broad range of revenues. PSAB discussed issues identified by staff based on a preliminary review of responses to its statement of principles. PSAB further reviewed an issues paper on performance obligations and discussed an approach recommended by the task force. An exposure draft is expected to be issued in the second half of fiscal 2015.

### ***Corporate reporting and regulatory changes***

A number of changes are being proposed related to the auditor's report and independence

#### ***Canadian Enhancing Audit Quality initiative***

*What is the issue?* Recommendations have been made by key stakeholders in the audit process with the objective to enhance audit quality. The key recommendations include:

- completing a formal annual auditor assessment
- completion of a comprehensive review every five years and communication of the results to the company's shareholders
- communication of CPAB results from inspection of individual audit files to that company's Audit Committee, where there is a significant finding

*Who is affected?* The recommendations have not been adopted into securities regulation and at this point, are considered best practices which companies are not required to implement. However, there has been a lot of interest shown in the recommendations by large listed companies and other regulated entities like pension funds.

*What are the next steps?* CPA Canada has issued guidance on the annual auditor assessment and the comprehensive review, including checklist type tools that can be tailored by the Audit Committee as the guidance is intended to be scalable to companies of varying sizes and complexity. The comprehensive review is intended to be of greater depth and breadth than the annual assessment. The audit firms have worked with CPAB to determine a protocol for the dissemination of audit inspection results.

#### ***European audit reform***

*What is the issue?* In response to the 2008 financial crisis, proposals were put forward to reform the European audit market. In May 2014 new legislation was approved that will result in major changes impacting audits of public interest entities. While the rules are complex and subject to multiple interpretations, the high level changes include:

- mandatory rotation of auditors every 10 years, with a one-time 10 year extension in the event of an audit tender (subject to a member state adopting this option)
- significant restrictions on providing non-audit services, potentially including many tax services and corporate finance services, and
- a fee cap on non-audit services to a maximum of 70% of the Group audit fee over a rolling three year period

*Who is affected?* All EU listed companies will be required to comply with the rules, along with non-listed European banks and insurance companies. However, individual countries are in the process of amending their own requirements in certain circumstances, to the extent that the local rules are at least as restrictive as the EU-wide rules. So ultimately, determining compliance is not likely to be straight forward. There are currently no discussions on rotation, scope of service restrictions or fee caps with regulators or standard setters within Canada or the United States.

*What are the next steps?* The agreement became law in June 2014, although modifications and clarifications to the rules are still expected within the member states. The restrictions on non-audit services and the fee cap would become effective in mid-2016 and the rotation requirements would be subject to transition rules that would see companies start to rotate initially within the next six years, dependent on the length of current auditor tenure and possible member state amendment.

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### ***IAASB auditor reporting model***

*What is the issue?* The International Auditing and Assurance Standards Board (IAASB) issued an exposure draft in 2013 proposing a new auditor's report that is applicable to companies in territories following International Standards on Auditing. The proposals are intended to address the needs of today's users for the financial statements. The final standard was agreed upon in September 2014 and has some significant changes, including:

- the addition of a "key audit matters" section whereby the auditor would describe the significant judgments or areas of focus of the audit – these would be the types of matters normally reported and discussed with the Audit Committee
- the addition of language on going concern
- a statement regarding the outcome of the auditor's consideration of "other information" (i.e. the MD&A, AIF, etc.)
- an explicit statement on the auditor's independence and identification of the audit partner in the report.

*Who is affected?* The Canadian Auditing and Assurance Standards Board (CAASB) is expected to adopt the new requirements, if agreed upon, as Canadian Auditing Standards. The CAASB has already conducted significant outreach to ensure the views of Canadian stakeholders are known and considered. The changes noted above would apply to all entities with the exception of the first and last items above (key audit matters and identification of the audit partner) that are proposed for listed entities only.

*What are the next steps?* The requirements will likely be applicable for year-ends ending after December 15, 2016. At the same time, the PCAOB has also issued similar proposals for comment and the European Commission is introducing new reporting requirements as part of their Audit Reform, described above.

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## ***E. Our proposed terms of engagement***



September XX, 2015

Ms. Lorella Hayes  
General Manager of Assets and  
Finance/Chief Financial Officer  
The City of Greater Sudbury  
200 Brady Street, 2<sup>nd</sup> Floor  
Tom Davis Square  
Box 500, Station A  
Sudbury ON P3A 5P3

Dear Ms. Hayes:

PricewaterhouseCoopers LLP (we, us or our), a limited liability partnership organized under the laws of the Province of Ontario, is pleased to provide services to the City of Greater Sudbury (the City) for the year ending December 31, 2015. We wish to confirm that the scope of audit services, as originally outlined on the engagement letter dated October 21, 2014 relating to the audit of the consolidated financial statements of the City for the year ended December 31, 2014 and for the year ending December 31, 2015 continue to remain in effect for the year ending December 31, 2015.

Our standard terms and conditions applicable for the audit of the consolidated financial statements of the City for the year ending December 31, 2015 have been included as an appendix to this letter.

We will also perform audit services for the following entities/programs in 2015:

**2015:**

	<b>Framework</b>
<b>Financial Statement Audits</b>	
City of Greater Sudbury Trust Funds	Canadian generally accepted accounting principles established by the Public Sector Accounting Board.
The City of Greater Sudbury Community Development Corp.	Canadian generally accepted accounting principles, Part III Not-for-profit organizations.
Pioneer Manor Long-Term Care Facility Trust Funds	Canadian generally accepted accounting principles established by the Public Sector Accounting Board.

*PricewaterhouseCoopers LLP  
PwC Centre, 354 Davis Road, Suite 600, Oakville, Ontario, Canada L6J 0C5  
T: +1 905 815 6300, F: +1 905 815 6499, [www.pwc.com/ca](http://www.pwc.com/ca)*

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.





<b>Program Audits</b>	
Walden Elderly Persons Centre	Elderly Persons Centres Act, Regulation 314 and through an agreement between the Ontario Senior's Secretariat and the City.
Homelessness Partnership Strategy	Contribution agreement, project #010435394 between Her Majesty The Queen in the Right of Canada, as represented by the Minister of Human Resources and Skills Development and the City.
Pioneer Manor Long-Term Care Facility	Long-Term Care Home Annual Report Technical Instructions and Guidelines issued by the Ministry of Health and Long-Term Care.

Our engagements will be conducted in accordance with the Canadian generally accepted auditing standards.

Our fees for the above audit services are as follows:

	<b>Fee</b>
<b>Financial Statement Audits</b>	
City of Greater Sudbury Trust Funds	\$3,400
The City of Greater Sudbury Community Development Corp.	\$2,400
Pioneer Manor Long-Term Care Facility Trust Funds	\$1,650
<b>Program Audits</b>	
Walden Elderly Persons Centre	\$2,300
Homelessness Partnership Strategy	\$2,300
Pioneer Manor Long-Term Care Facility	\$10,200

Once we complete our audits we will provide you with our auditor's report on the work referred to above. For the Program Audits, the form and content of our auditor's report will be in accordance with the requirements of Canadian Auditing Standards 805, Special Considerations - Audit of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement. For the Financial Statement Audits, the form and content of our auditor's report will be in accordance with the requirements of Canadian Auditing Standards 700, Forming an Opinion and Reporting on Financial Statements.



In addition, our fees for the audit of the consolidated financial statements of the City, as outlined in the Appendix of our engagement letter dated October 21, 2014 will be \$93,000 in 2015. Our fees exclude HST.

Yours very truly,

**Draft**

**Chartered Professional Accountants**

The terms as set forth in this letter are agreed to.

**City of Greater Sudbury**

By:

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Ms. Lorella Hayes, General Manager of Assets and  
Finance/Chief Financial Officer

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Date



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Presented To:	Audit Committee
Presented:	Tuesday, Oct 27, 2015
Report Date	Tuesday, Sep 22, 2015
Type:	Managers' Reports

## For Information Only

### Whistle Blower Hotline Costs and Management Options

#### Recommendation

For Information Only

#### **Recommendation**

For Information Only.

#### **Finance Implications**

No financial implications

#### **Background**

The purpose of this report is:

1. To respond to questions raised during the previous presentation on “Whistle-Blower” hotline on August 11, 2015 and
2. Highlight experiences of other Municipalities and key operational statistics from service providers of Whistle-Blower hotlines.

This report is prepared based on preliminary information and informal discussions with two service providers (**A** and **B**) and two municipalities that operate a whistleblower hotline.

While service provider ‘**A**’ charges a fixed annual fee, ‘**B**’ provides basic services gratis as a lead for future service for a fee.

The differences between their service levels are more clearly explained in the attached flow charts ‘**A**’ and ‘**B**’ read in conjunction with accompanying notes.

#### **Process and Cost options:**

##### **Process:**

The attached flow chart and notes in Appendix to this report provides an overview of the steps through which reported incidents flow for services provided by ‘**A**’ and ‘**B**’.

##### **Costs:**

#### Signed By

##### **Report Prepared By**

Vasu Balakrishnan  
Interim Auditor General  
*Digitally Signed Oct 7, 15*

##### **Auditor General**

Vasu Balakrishnan  
Interim Auditor General  
*Digitally Signed Oct 7, 15*

The costs comprise of a fixed annual cost and a variable cost that is directly proportional to the number and complexity of issue reported.

### 1. Fixed costs:

*Service provider 'A':*

The fixed costs comprise of cost of receiving reports, secure maintenance of the database, record of communication amongst users/reviewers, provision of restricted access privileges to multiple users based on their area of expertise and maintain record of a secure audit log of every action on the database.

The cost of operation of an anonymous communication line is based on the total number and type of individuals that could report into the system. A differential pricing structure exists for internal stake holders as employees and vendors/suppliers and external stakeholders as members of the public.

Initial approximate costs (Per annum)

Hotline restricted to internal stake holders only: \$ 12,500

Additional costs for external stake holders/public: \$ 5,000

Total : \$ 17,500

Service provider 'B':

Service provided gratis.

## 2. Variable costs:

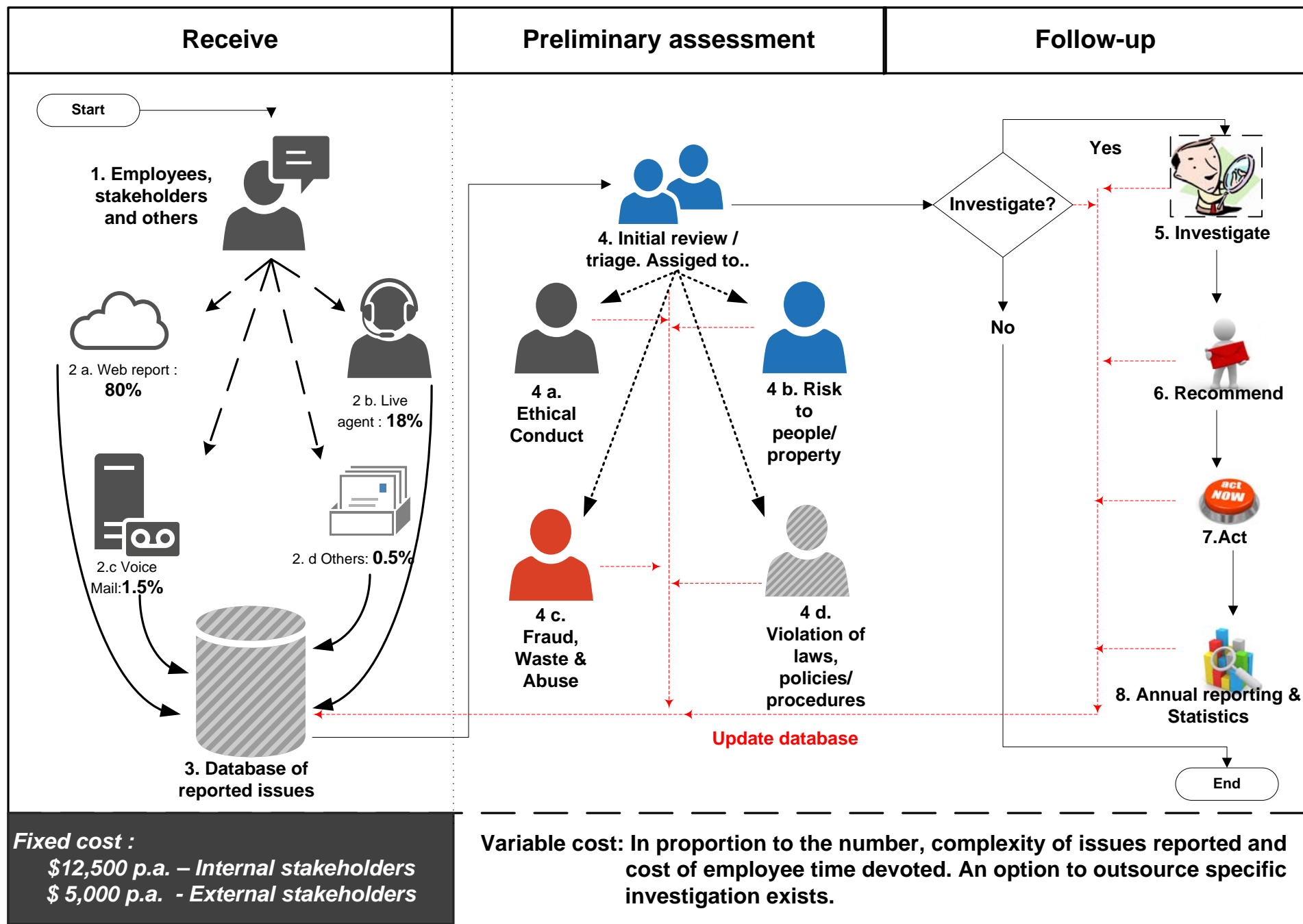
The variable costs comprise of the actual cost of employee time that may be devoted for:

- i. Initial preliminary review,
- ii. Assignment to the right investigation group
- iii. Investigation
- iv. Recommendation
- v. Implementing the decision
- vi. Updating the data base and
- vii. Periodic reporting.

The above variable costs would be difficult to estimate and based on time devoted by various individuals in an organization to investigate and follow-up reported instances.

# A. Whistle Blower Flowchart & estimated costs

For paid service provider



## A. Whistle Blower Flowchart notes

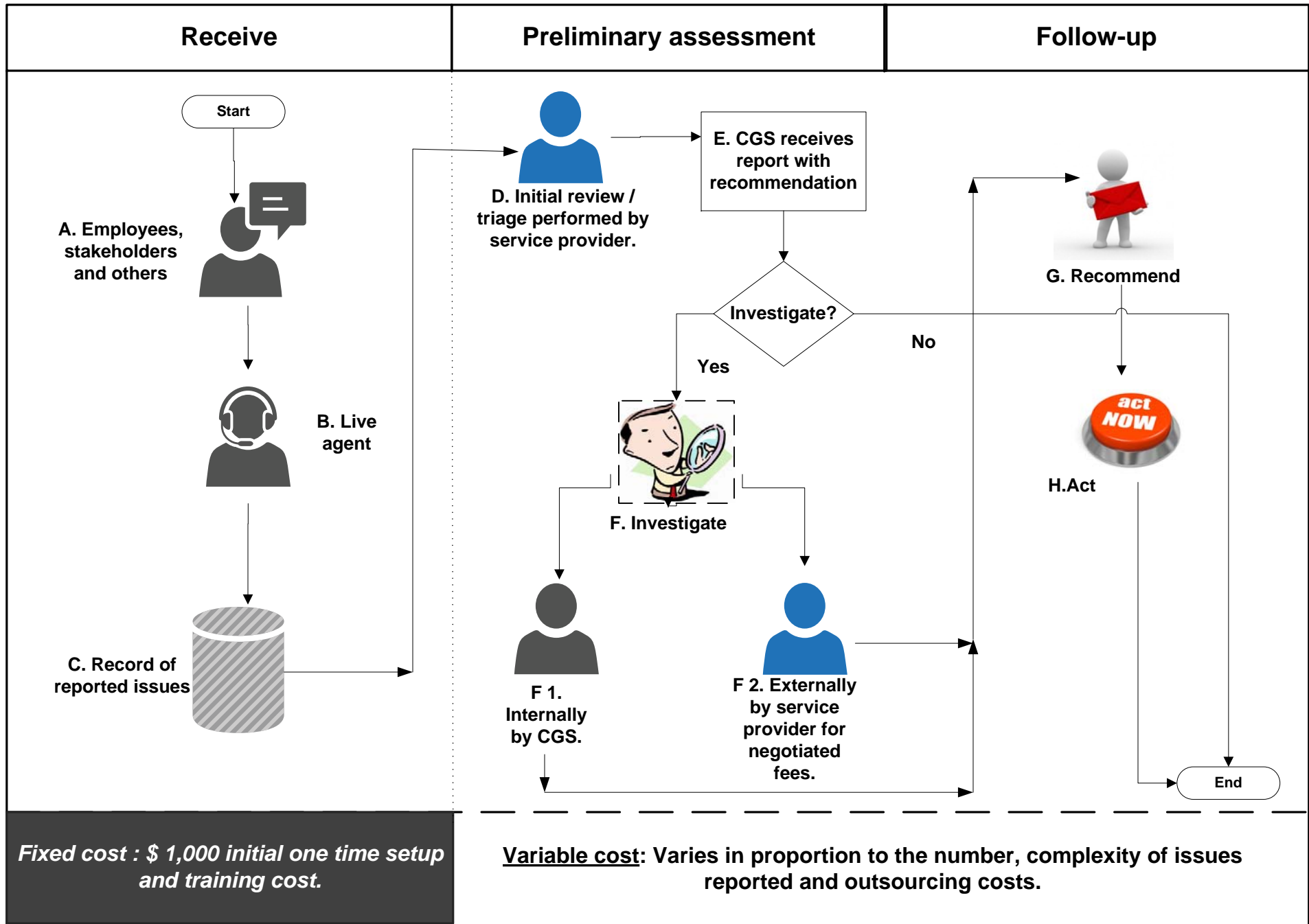
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### (Service for fee)

Ref. #	Narration
1	<p>Communication to whistle blower lines may be made by any of the following persons:</p> <ul style="list-style-type: none"><li>a. All category of employees (Full/part time, casual, temporary or contractors)</li><li>b. Suppliers of goods and services and</li><li>c. Residents</li></ul> <p>Usage pattern range from 1 – 1.5% of the population. Assuming this trend CGS can expect 350 – 525 complaints in a year.</p>
2	<p>Communication/complaints could be received by following modes that support multiple languages (Information provided by the external service provider for annual fee and based on experience):</p> <ul style="list-style-type: none"><li>i. Web reporting – 80%</li><li>ii. Telephone call transcribed by a live agent – 18%</li><li>iii. Voice mail – 1.5% and</li><li>iv. Others including surface mail – 0.5%</li></ul> <p>Each of the above modes offers an option to communicate anonymously.</p>
3	<p>The information received is input into a secure database that assigns a unique case number and key for follow-up and facilitates two way communications with anonymous reporters.</p>
4	<p>An initial/preliminary review of reported cases by designated individuals occurs to decide on:</p> <ul style="list-style-type: none"><li>a. Need for further investigation,</li><li>b. Assignment to the relevant investigation group – e.g. Audit, HR &amp; Legal.</li></ul> <p>Among the features of the software are:</p> <ul style="list-style-type: none"><li>i. Ability to make initial and investigation notes,</li><li>ii. Email update to reviewers for new reports submitted/ and notes made,</li><li>iii. Secure maintenance of audit trail etc.</li></ul>
5	<p>On completion of investigation (by the assigned group for those cases that could be investigated), the database is updated. Based on past experience, only 30% of reported instances are generally investigated. Based on this trend, CGS could expect to investigate 105 – 158 cases annually.</p>
6	<p>The investigation report with findings/recommendations is forwarded to decision making authority and updates the database.</p>
7	<p>Appropriate authority initiates action and updates database.</p>
8	<p>Periodic/annual reporting analyzing trends/patterns.</p>

# B. Whistle Blower Flowchart & estimated costs

*Use of free collection service*



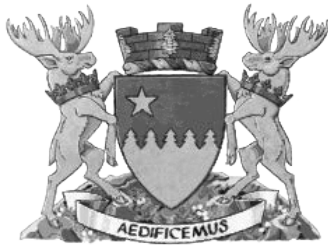


## B. Whistle Blower Flowchart notes

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(When provided free)

Ref. #	Narration
A	Communication to whistle blower lines may be made by any of the following: a. All category of employees (Full/part time, casual, temporary or contractors) b. Suppliers of goods and services and c. Residents
B	Communication/complaints could be received only by telephone. Information is collected by a live agent with opportunity for caller to communicate anonymously.
C	The information received is input into a file.
D	An initial/preliminary review of reported cases is performed by the service provider, who in turn recommends: a. Further investigation – by the service provider for an agreed fees or b. Investigation internally by assigned group – e.g. Audit, HR & Legal.
E	CGS receives report with recommendation and decides on investigation.
F	A decision to investigate results in forwarding the facts to relevant internal group or to the service provider.
G	Investigator recommends suitable action based on review of the case.
H	Appropriate authority initiates action.



# City of Greater Sudbury Charter

**WHEREAS** Municipalities are governed by the Ontario Municipal Act, 2001;

**AND WHEREAS** the City of Greater Sudbury has established Vision, Mission and Values that give direction to staff and City Councillors;

**AND WHEREAS** City Council and its associated boards are guided by a Code of Ethics, as outlined in Appendix B of the City of Greater Sudbury's Procedure Bylaw, most recently updated in 2011;

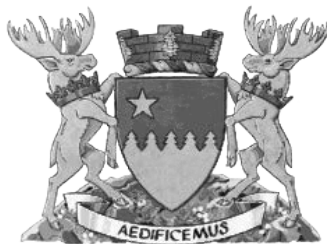
**AND WHEREAS** the City of Greater Sudbury official motto is "Come, Let Us Build Together," and was chosen to celebrate our city's diversity and inspire collective effort and inclusion;

**THEREFORE BE IT RESOLVED THAT** Council for the City of Greater Sudbury approves, adopts and signs the following City of Greater Sudbury Charter to complement these guiding principles:

**As Members of Council, we hereby acknowledge** the privilege to be elected to the City of Greater Sudbury Council for the 2014-2018 term of office. During this time, we pledge to always represent the citizens and to work together always in the interest of the City of Greater Sudbury.

**Accordingly, we commit to:**

- Perform our roles, as defined in the Ontario Municipal Act (2001), the City's bylaws and City policies;
- Act with transparency, openness, accountability and dedication to our citizens, consistent with the City's Vision, Mission and Values and the City official motto;
- Follow the Code of Ethical Conduct for Members of Council, and all City policies that apply to Members of Council;
- Act today in the interest of tomorrow, by being responsible stewards of the City, including its finances, assets, services, public places, and the natural environment;
- Manage the resources in our trust efficiently, prudently, responsibly and to the best of our ability;
- Build a climate of trust, openness and transparency that sets a standard for all the City's goals and objectives;
- Always act with respect for all Council and for all persons who come before us;
- Ensure citizen engagement is encouraged and promoted;
- Advocate for economic development, encouraging innovation, productivity and job creation;
- Inspire cultural growth by promoting sports, film, the arts, music, theatre and architectural excellence;
- Respect our historical and natural heritage by protecting and preserving important buildings, landmarks, landscapes, lakes and water bodies;
- Promote unity through diversity as a characteristic of Greater Sudbury citizenship;
- Become civic and regional leaders by encouraging the sharing of ideas, knowledge and experience;
- Work towards achieving the best possible quality of life and standard of living for all Greater Sudbury residents;



# Charte de la Ville du Grand Sudbury

**ATTENDU QUE** les municipalités sont régies par la Loi de 2001 sur les municipalités (Ontario);

**ATTENDU QUE** la Ville du Grand Sudbury a élaboré une vision, une mission et des valeurs qui guident le personnel et les conseillers municipaux;

**ATTENDU QUE** le Conseil municipal et ses conseils sont guidés par un code d'éthique, comme l'indique l'annexe B du Règlement de procédure de la Ville du Grand Sudbury dont la dernière version date de 2011;

**ATTENDU QUE** la devise officielle de la Ville du Grand Sudbury, « Ensemble, bâtissons notre avenir », a été choisie afin de célébrer la diversité de notre municipalité ainsi que d'inspirer un effort collectif et l'inclusion;

**QU'IL SOIT RÉSOLU QUE** le Conseil de la Ville du Grand Sudbury approuve et adopte la charte suivante de la Ville du Grand Sudbury, qui sert de complément à ces principes directeurs, et qu'il y appose sa signature:

**À titre de membres du Conseil**, nous reconnaissons par la présente le privilège d'être élus au Conseil du Grand Sudbury pour le mandat de 2014-2018. Durant cette période, nous promettons de toujours représenter les citoyens et de travailler ensemble, sans cesse dans l'intérêt de la Ville du Grand Sudbury.

**Par conséquent, nous nous engageons à :**

- assumer nos rôles tels qu'ils sont définis dans la Loi de 2001 sur les municipalités, les règlements et les politiques de la Ville;
- faire preuve de transparence, d'ouverture, de responsabilité et de dévouement envers les citoyens, conformément à la vision, à la mission et aux valeurs ainsi qu'à la devise officielle de la municipalité;
- suivre le Code d'éthique des membres du Conseil et toutes les politiques de la municipalité qui s'appliquent à eux;
- agir aujourd'hui pour demain en étant des intendants responsables de la municipalité, y compris de ses finances, biens, services, endroits publics et du milieu naturel;
- gérer les ressources qui nous sont confiées de façon efficiente, prudente, responsable et de notre mieux;
- créer un climat de confiance, d'ouverture et de transparence qui établit une norme pour tous les objectifs de la municipalité;
- agir sans cesse en respectant tous les membres du Conseil et les gens se présentant devant eux;
- veiller à ce qu'on encourage et favorise l'engagement des citoyens;
- plaider pour le développement économique, à encourager l'innovation, la productivité et la création d'emplois;
- être une source d'inspiration pour la croissance culturelle en faisant la promotion de l'excellence dans les domaines du sport, du cinéma, des arts, de la musique, du théâtre et de l'architecture;
- respecter notre patrimoine historique et naturel en protégeant et en préservant les édifices, les lieux d'intérêt, les paysages, les lacs et les plans d'eau d'importance;
- favoriser l'unité par la diversité en tant que caractéristique de la citoyenneté au Grand Sudbury;
- devenir des chefs de file municipaux et régionaux en favorisant les échanges d'idées, de connaissances et concernant l'expérience;
- viser l'atteinte de la meilleure qualité et du meilleur niveau de vie possible pour tous les résidents du Grand Sudbury.