



AUDIT COMMITTEE AGENDA

Audit Committee Meeting
Tuesday, January 13, 2015
Tom Davies Square

4:00 p.m. OPEN SESSION - COUNCIL CHAMBER

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

DECLARATIONS OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

APPOINTMENT OF COMMITTEE CHAIR AND VICE-CHAIR

1. Report dated December 3, 2014 from the Executive Director, Administrative Services/City Clerk regarding Appointment of Chair and Vice-Chair - Audit Committee. **3 - 4**
(RECOMMENDATION PREPARED)
(City Clerk, Caroline Hallsworth will call the meeting to order and preside until the Audit Committee Chair and Vice-Chair have been appointed, at which time the newly appointed Chair will preside over the balance of the meeting.)

PRESENTATIONS

1. Report dated January 5, 2015 from the Chief Financial Officer/City Treasurer regarding 2014 External Audit Planning Report. **5 - 37**
(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 2014 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.)

2. Report dated January 7, 2015 from the Vasu Balakrishnan - Acting Auditor General regarding Orientation - Office of Auditor General.

38 - 45

(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)

- Vasu Balakrishnan, Interim Auditor General

(Orientation presentation from the Office of Auditor General)

ADJOURNMENT

CAROLINE HALLSWORTH, EXECUTIVE DIRECTOR, ADMINISTRATIVE SERVICES/CITY CLERK

Request for Decision

Appointment of Chair and Vice-Chair - Audit Committee

Presented To:	Audit Committee
Presented:	Tuesday, Jan 13, 2015
Report Date	Wednesday, Dec 03, 2014
Type:	Appointment of Committee Chair and Vice-Chair

Recommendation

That the City of Greater Sudbury appoint Councillor _____ as Chair and Councillor _____ as Vice-Chair of the Audit Committee for the term ending December 31, 2015.

Finance Implications

Funding for the remuneration of the Chair is provided for within the operating budget.

Background

This report sets out the procedure for the election by the Committee of the Chair and Vice-Chair of the Audit Committee for the term ending December 31, 2015.

The Procedure By-law provides that a Member of the Committee shall be appointed annually by the Committee to serve as Chair of the Audit Committee. As well, a Vice-Chair is appointed annually.

The above appointments need only be confirmed by resolution.

Remuneration

The Chair of the Audit Committee is paid \$2,004.98 per annum.

Selection

The selection of the Chair and Vice-Chair is to be conducted in accordance with Article 45 of the Procedure By-law.

Council's procedure requires that in the event more than one (1) candidate is nominated for either the Chair

Signed By

Report Prepared By

Brigitte Sobush
Deputy City Clerk
Digitally Signed Dec 3, 14

Recommended by the Department

Caroline Hallsworth
Executive Director, Administrative Services/City Clerk
Digitally Signed Dec 3, 14

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Dec 3, 14

or Vice-Chair's position, a simultaneous recorded vote shall be used to select the Chair and Vice-Chair.

It is always in order for a Member of Council to nominate themselves and to vote for themselves. Under *Robert's Rules of Order* a nomination does not need a second.

Once the successful candidates have been selected, a recommendation will be introduced.

Presented To:	Audit Committee
Presented:	Tuesday, Jan 13, 2015
Report Date	Monday, Jan 05, 2015
Type:	Presentations

Request for Decision

2014 External Audit Planning Report

Recommendation

THAT the City of Greater Sudbury approve the 2014 External Audit Plan as outlined in the report dated January 5, 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 auditors will be presenting an overview of their External Audit Planning Report with respect to the 2014 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

Lorraine Laplante
Manager of Accounting
Digitally Signed Jan 5, 15

Recommended by the Department

Lorella Hayes
Chief Financial Officer/City Treasurer
Digitally Signed Jan 5, 15

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Jan 6, 15

en

City of Greater Sudbury

*Audit plan for the year
ended December 31,
2014*

January 5, 2015





January 5, 2015

Members of the Audit Committee
City of Greater Sudbury
200 Brady Street
2nd Floor, Tom Davies Square
Box 5000, Station A
Sudbury ON P3A 5P3

Dear Members of the Audit Committee:

We are pleased to present an overview of our audit plan for the 2014 audit of the consolidated financial statements of the City of Greater Sudbury (the City) prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants (Canadian GAAP) (hereafter referred to as the financial statements).

This overview includes our view on audit risks, the nature, extent and timing of our audit work, as well as our proposed fees and the terms of our engagement.

We value your feedback and hope to have a dialogue with you about the identified risks and our audit approach. Please give us your suggestions and observations at our upcoming meeting on January 13, 2015.

Yours very truly,

PricewaterhouseCoopers LLP

Michael Hawtin
Partner
Audit and Assurance Group

c.c.: Ms. Lorella Hayes, Chief Financial Officer and Treasurer

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

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Appendices

Appendix A: Engagement letter

Appendix B: Draft audit service guideline

1. *Executive summary*

We are pleased to provide a summary of our audit plan for the 2014 audit of the financial statements.

The audit plan includes the necessary communications between an auditor and an Audit Committee, as required by Canadian generally accepted auditing standards (Canadian GAAS).

To help you with your review, we highlight key areas for discussion below. These include new matters or changes from the prior year's audit plan. We'll answer any questions you might have at our upcoming meeting.

<i>Discussion item</i>	<i>Summary</i>	<i>For further reference</i>
Client service team	<ul style="list-style-type: none"> Cathy Russell is your senior relationship partner. Michael Hawtin is your engagement leader. Urooj Vohra is your engagement manager. The senior members of our team are consistent with the prior year. 	Page 2
Service deliverables	<ul style="list-style-type: none"> The scope of our services remains consistent with the prior year. 	Page 3
Timing	<ul style="list-style-type: none"> Audit planning: September – October 2014 Interim visit: October 2014 Year-end visit: April – May 2015 	Page 4
Audit approach	<ul style="list-style-type: none"> Our audit approach will consist of a mixture of testing selected controls and substantive detail testing. Consistent with Canadian GAAS, we'll also add a level of unpredictability into our procedures each year. 	Page 6
Materiality	<ul style="list-style-type: none"> We calculated materiality (based on the 2014 operating budget) and have determined a preliminary materiality of \$8.7M. We will report unadjusted and adjusted items over \$435,000 at the end of our audit. 	Page 9
Risk analysis	<ul style="list-style-type: none"> The areas of significant audit focus are consistent with the prior year; mainly: <ul style="list-style-type: none"> - Revenue recognition - government transfers; - Significant accounting estimates; and - Management override of controls. 	Page 6
Fraud risk	<ul style="list-style-type: none"> We discuss fraud risk with you annually. In planning our audit, we considered the risk of fraud, management's processes for mitigating that risk and your oversight processes. 	Page 10
2014 audit fees	<ul style="list-style-type: none"> Our audit fee for the City for the 2014 year, as outlined in our audit engagement letter dated October 21, 2014, is \$91,000 (2013 - \$89,200). 	Page 12

2. Your team

a. Your client service team

The following individuals will be on your client service team:

<i>Name</i>	<i>Role</i>	<i>Number of years on engagement</i>	<i>Phone number</i>	<i>Email address</i>
Cathy Russell	Senior relationship partner	4	416 815 5291	cathy.russell@ca.pwc.com
Michael Hawtin	Engagement leader	4	905 815 6393	michael.hawtin@ca.pwc.com
Urooj Vohra	Engagement manager	3	905 815 6379	urooj.f.vohra@ca.pwc.com
Dib Dhar	Information technology specialist	4	416 815 5043	dibyendu.dhar@ca.pwc.com
Carol Devenny	Quality review partner	4	613 755 4366	carol.devenny@ca.pwc.com

We have assigned a quality review partner, Carol Devenny, who is independent of the audit team and whose responsibilities include ensuring that we deliver a quality product. Carol is the leader of our public sector practice and has over 30 years of experience providing audit services to a wide range of government entities.

3. Scope of our services

a. Our audit objectives

As the City's auditor, our main responsibility is to form and express an opinion on the City's financial statements as at December 31, 2014 and for the year then ended prepared in accordance with Canadian GAAP. Management prepares the financial statements with the oversight of those charged with governance (the Audit Committee).

An audit of the financial statements does not relieve management or the Audit Committee of its responsibilities. We'll conduct our audit in accordance with Canadian GAAS. This means that we must comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

In addition we are also committed to being a trusted advisor to management and to the Audit Committee. Where appropriate, we will discuss significant developments in public sector accounting and provide management our views and insights and also advise management of other services we feel could be helpful - at all times staying within the realm of our independence rules.

b. Engagement terms

Our engagement letter dated October 21, 2014, sets out the terms and conditions for our engagement as the independent auditor of the City of Greater Sudbury for the years ending December 31, 2014 and December 31, 2015.

A copy of the engagement letter has been included in Appendix A of our audit plan for your reference.

4. *When will we do the audit?*

a. *Audit timeline*

Working with management, we have developed the following project timeline, which is consistent with the City's regulatory and filing requirements.

Audit planning	
Audit planning	September - October 2014
Presentation of audit plan to the Audit Committee	January 13, 2015
Audit	
Interim audit fieldwork - City and related agencies and boards	September - November 2014
Year-end audit fieldwork - City's related agencies and boards	March - April 2015
Year-end audit fieldwork - City	April - May 2015
Clearance meetings with management and PwC	May 2015
Year-end Audit Committee meeting and finalization of the consolidated financial statements	June 16, 2015

At the year-end Audit Committee meeting, we will provide to the Audit Committee our draft audit opinion, key findings (particularly, regarding significant estimates, transactions, accounting policies and disclosures), any significant deficiencies identified in internal controls and a confirmation of our independence.

b. *Project management*

A well-executed audit requires good project management from both your team and PwC.

Working with management, we have developed the following process to ensure information is flowing and that issues are dealt with on a timely basis:

i. **Issues meetings**

We will hold regular meetings with key management throughout the year to discuss potential issues affecting the City and to develop plans for the resolution of key accounting issues. We will share elements of our assessment of significant risks with management and the Audit Committee to avoid surprises and obtain your feedback. We will maintain an ongoing register of matters that require further effort and will regularly monitor progress on these matters.

ii. **Communicating and collaborating**

We will use information from the issues meetings — along with our cumulative knowledge of the City — to put together a detailed and tailored list of requested documents. We will now manage our document request listing online, through our Connect web-based system.

This technology allows all of our team members and the City's management and staff to exchange documents and information in one place. Connect automates project management, with these mutual benefits:

- transparent, real-time insight on document request and acceptance status;
- ease of uploading, sharing and accessing documents from multiple locations on a secure site;
- efficient project management, including scheduling dates and real-time status updates;
- ability to tailor email alerts and notifications around actions, requests and due/overdue deliverables;
- more accountability in monitoring, tracking and viewing task status by individual; and
- ability to restrict documents to individuals on either team.

We have asked management to appoint an "Audit Champion" to be our key contact. This person is responsible for managing the flow of information and audit requests to ensure both of our organizations are being as efficient as possible and that the audit is not disruptive.

Lorraine Laplante (Co-ordinator of Accounting) has been selected by management as the City's Audit Champion.

We will hold periodic meetings with management during the audit to discuss the status of our audit procedures. As part of these meetings, we will discuss the list of outstanding items and will highlight any items that require more urgent attention and follow-up. We will work closely with management to resolve outstanding audit information requests and issues in a timely manner and obtain agreement with management on additional audit services provided, if any, during the audit.

Once we have completed our audit and have mailed our report, the results and findings of the audit will be discussed with the Audit Committee Chair prior to the Audit Committee meeting.

We have developed an Audit Service Guideline which has been discussed with management and outlines our audit services and what may be considered additional services. All additional services will be communicated to both management and the Audit Committee. A copy of this guideline is included in Appendix B of our audit plan for your reference.

iii. Continuous improvement

After the audit, we will debrief with management and obtain feedback on how the audit went and what improvements can be made to the process. We will also solicit feedback from the Audit Committee. These improvements will be documented and reflected in next year's audit plan.

5. How will we do the audit?

a. Our audit approach

Our audit approach is designed to allow us to execute a quality and efficient audit. We do this by:

- i. Gaining an understanding of the organization by focusing on new developments and key business issues affecting the City as well as management's monitoring of controls and business processes. Our audit procedures will include tests of controls within the payroll and purchase/payables/payments cycles, information technology and certain other processes as well as substantive tests of significant account balances and transactions.
- ii. Identifying significant audit risks, sharing our perspectives, obtaining your feedback and ensuring our audit is tailored to these risks;
- iii. Making use of our network of internal employee benefits and information systems specialists, who will be integrated into our team to assist in our audit;
- iv. Using the work of external specialists to assist with obtaining sufficient and appropriate audit evidence over certain account balances and transactions. Specifically, we will rely on the following specialists:
 - External actuaries to provide actuarial calculations to account for the employee benefits;
 - External specialists to provide estimates of future landfill closure and post-closure costs used to estimate the related liability; and
 - Municipal Property Assessment Corporation (MPAC) to provide the assessment of properties used in determining property taxation revenue for the year.
- v. Using well-reasoned professional judgment, especially, in areas that are subjective or require estimates; and
- vi. Leveraging reliance where possible on the City's internal controls, Auditor General's Office and information technology and data systems.

Our approach is a mixture of tests of certain internal controls, substantive analytics and tests of details. Our understanding of the organization also drives our assessment of materiality and the identification of audit risks.

Throughout the audit, we scale our work based on the size of an account balance, its complexity and its impact on the financial statements.

b. Risk analysis

Significant risks are those risks of material misstatement that, in our judgment, require special audit consideration. We have identified the following significant audit risks and other risks with a potential audit impact, as part of our planning process.

These risks were identified based on discussions with management, our knowledge of the City and the economy.

They are the most important risks from our perspective. We request your input on the following significant risks and whether there are any other areas of concern that the Audit Committee has identified.

Risk area (including key judgments and estimates)	Management’s response	Our audit approach
<p>Revenue recognition - Government Transfers</p> <p>Revenue is recognized from government transfers based on specific contracts and arrangements with governmental organizations and is 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 accurately, completely and in the correct accounting period.</p>	<p>The City has established revenue recognition accounting policies in accordance with the accounting standards for the Public Sector.</p> <p>In addition, the City has processes, controls and other procedures in place to ensure that revenue is appropriately measured and recognized, including monitoring the activity within deferred revenue accounts and reserve funds during the year.</p> <p>The City continues to review significant agreements with other governments to ensure that government transfers are appropriately accounted for under the revised standard PS 3410.</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 Canadian GAAP.</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 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 revised standard PS 3410.</p>

Risk area (including key judgments and estimates)	Management’s response	Our audit approach
<p>Significant accounting estimates</p> <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"> • Environmental liabilities (including closure and post-closure costs for active and inactive landfill sites and potentially contaminated sites); • Provisions related to property taxes; and • Contingent liabilities. 	<p>Management has processes and controls in place for formulating these estimates.</p> <p>Where applicable, management has engaged external specialists to assist in the determination of significant accounting estimates.</p> <p>In particular, we understand the City has contracted external specialists to assist with the valuation of environmental liabilities.</p>	<p>Meet with non-financial management 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 entity.</p> <p>Incorporate internal specialists into our engagement team, if necessary, to assess the appropriateness of the methodology and accounting estimates applied.</p>
<p>Management override of controls</p> <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>The likelihood of 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 as well as sophisticated and carefully organized schemes designed to conceal it.</p>	<p>Appropriate segregation of duties has been established in order to mitigate the risk of management override of controls.</p> <p>In addition, the City has policies and procedures in place to prevent and deter fraud including controls over the review and approval of manual journal entries.</p>	<p>Assess the control environment, segregation of duties and access parameters established in PeopleSoft mitigating this risk.</p> <p>Test significant and non-standard manual journal entries made during the year.</p> <p>Introduce an element of unpredictability into our audit through our sample selections for audit testing.</p>

c. Materiality

Misstatements, including omissions, are considered material if they, individually or combined with other misstatements, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

We have assessed preliminary materiality for the audit as follows.

	<i>Basis</i>	<i>Amount</i>
Overall materiality ¹ :	1.75% of the unconsolidated operating expenditures (budget) of the City for the full year	\$8.7 million
We will report unadjusted and adjusted items in excess of this amount to the Audit Committee	5% of overall materiality	\$435,000

¹ 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.

d. Discussion on fraud risk

Canadian GAAS requires us to discuss fraud risk annually with the Audit Committee. We understand that part of your governance role is also to consider the fraud risks facing the City and the responses to those risks.

Through our planning process (and prior years' audits), we have developed an understanding of your oversight processes including:

- Employee handbook which includes areas such as employment rules and policies (conduct at work, conflict of interest, duty of fidelity), compliant process etc.;
- Audit Committee (and other) charters;
- Discussion at Audit Committee meetings and our attendance at those meetings;
- Presentations by management;
- Review of related party transactions;
- Consideration of tone at the top; and
- Auditor General's Office.

We are not aware of any fraud at the current time. If you are aware of any instances of actual, suspected or alleged fraud affecting the entity, please contact the engagement leader, Michael Hawtin (contact information is included in Section 2).

An auditor's responsibilities for detecting fraud

We are responsible for planning and performing the audit to obtain reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud.

Fraud may involve collusion as well as sophisticated and carefully organized schemes designed to conceal it. Therefore, it's more likely that fraud rather than error will cause material misstatement to go undetected.

During our audit, we will perform the following procedures in order to fulfill our responsibilities:

- inquiries of management, the Audit Committee and others related to any knowledge of fraud or suspected fraud;
- perform disaggregated analytical procedures, and consider unusual or unexpected relationships identified in planning the audit;
- incorporate an element of unpredictability in the selection of the nature, timing and extent of our audit procedures; and
- perform additional required procedures to address the risk of management's override of controls, including:
 - evaluating internal controls designed to prevent and detect fraud;
 - examine journal entries and other adjustments for evidence of the possibility of material misstatement due to fraud;
 - review accounting estimates for biases that could result in material misstatement due to fraud, (including a retrospective review of significant prior years' estimates); and
 - evaluate the business rationale of significant unusual transactions.

We would be pleased to discuss any other procedures or suggestions the Audit Committee may have.

6. Where will we do the 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:

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

7. *Our 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 years ending December 31, 2014 and December 31, 2015, our fees for the 2014 audit of the financial statements of the City are \$91,000. Our fees exclude taxes and out-of-pocket costs, as outlined in the engagement letter.

8. *What's new? Accounting and Financial Reporting update*

As part of our commitment to quality service, we now draw your attention to new and emerging accounting, auditing and regulatory developments on City of Greater Sudbury's financial reporting:

a. Financial instruments and financial statement presentation

Section PS 3450, Financial Instruments is effective for governments for periods beginning on or after April 1, 2016. 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) and Section PS 2601, Foreign Currency Translation (replacing PS 2600). 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.

b. Other projects

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

- *Related Parties* – In September 2012, PSAB issued an exposure draft proposing a new PSA Handbook Section for Related Party Transactions. The exposure draft included guidance on the identification of related parties as well as the recognition and measurement of related party transactions. The Board considered responses to the exposure draft and issued a re-exposure draft in June 2013 with revised guidance to address concerns over key management personnel and measurement of related party transactions. In April 2014, the Board issued another re-exposure draft that proposes standards dealing with related party disclosures and inter-entity transactions. A new handbook section is expected to be released in early 2015. Our audit national public sector leader is the chair of the PSAB task force on this project.
- *Restructurings* – Restructurings may take many forms including amalgamations, transfers and reorganizations. This project aims to create a standard to define restructuring transactions and provide guidance on the recognition and measurement of assets and liabilities subject to restructuring as well as accounting for restructuring costs. A statement of principles was issued in February 2013, which proposed that restructurings involve the transfer of an integrated set of assets, liabilities and related responsibilities without the exchange of significant consideration based on the fair values of assets and liabilities transferred. Restructuring transactions are to be measured based on carrying values with limited adjustments. An exposure draft for a new standard was issued in August 2014. A new handbook section is expected to be released in fiscal 2015.
- *Assets* – The objective of this project is to provide a standard that addresses the basic concepts and definition of assets, similar to the standard that already exists for liabilities (Section PS 3200). PSAB issued a statement of principles in August 2013 that proposes additional guidance on the definition of assets, disclosure requirements for assets and definitions of and standards on disclosure requirements for contingent assets and contractual rights. In August 2014, PSAB issued an exposure draft that proposes three new standards. A new handbook release is expected in fiscal 2015.

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- *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 August 2013, PSAB issued a statement of principles containing proposals that will affect the reporting of a broad range of revenues. An exposure draft for a new standard is expected in fiscal 2015.
 - *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 is seeking comments on its Statement of Principles by November 21, 2014. An exposure draft for a new standard is expected in fiscal 2015. Our audit national public sector leader is the chair of the PSAB task force on this project.

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 business 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 upon 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 upon the contents of this report by any person or entity other than you.

Appendix A: Engagement letter



October 21, 2014

Ms. Lorella Hayes
Chief Financial Officer and Treasurer
The City of Greater Sudbury
200 Brady Street, 2nd Floor
Tom Davies Square
P. O. Box 5000, 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, you or your) for the years ending December 31, 2014 and 2015. Michael Hawtin will be responsible for the services we perform including coordination with internal specialists, as considered necessary. This engagement letter confirms our mutual understanding of the specific terms of our engagement, which are supplemented by the standard terms of business attached to this engagement letter. Our fee estimate and billing schedule are outlined in Schedule A. If there is any difference between our standard terms of business and the specific terms included in this letter, specific terms shall apply.

Services and related report

We will provide the following services (the services):

Annual consolidated financial statements audit

We will audit the City's consolidated financial statements as at December 31, 2014 and December 31, 2015 and for the years then ending (the financial statements, together the audit).

These financial statements will be prepared in accordance with the requirements of Canadian Public Sector Accounting Standards.

These financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose. These financial statements have been prepared by management.

*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*

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



Auditor's report

Once we complete our annual audit, we will provide you with our auditor's report on the work referred to above. The form and content of our auditor's report will be in accordance with Canadian Auditing Standard 700, *Forming an Opinion and Reporting on Financial Statements*.

There may be circumstances where our auditor's report may differ from the expected form and content. In such cases, we will discuss with you in advance of finalizing our report and seek to resolve any differences of view that may exist.

If, for any reasons caused by or relating to the affairs of you or your management, we are unable to complete our services, we may decline to issue our auditor's report.

Our responsibilities

Annual financial statements audit

The purpose of a financial statement audit is to express an opinion on the financial statements. We will be responsible for performing the audit in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical standards, which include independence and professional competence, and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by you, as well as evaluating the overall presentation of the financial statements.

Consistency of accounting principles

It is our responsibility to assess whether the accounting principles used to prepare the financial statements have been applied on a basis consistent with that of the preceding year and to report on that matter in the auditor's report under "Report on other legal and regulatory requirements".

Risk assessment

In making our risk assessments, we will consider internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your internal control. But, we will let you and the Audit Committee know, as appropriate, in writing about any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.



Informing the Audit Committee

We also are responsible for ensuring that the Audit Committee is informed about certain other matters related to the performance of our audit, including but not limited to:

- (i) our views about significant qualitative aspects of your accounting practices, including accounting policies, accounting estimates and financial statement disclosures. In certain circumstances, we may be required to explain to the Audit Committee why we consider a significant accounting practice, that is acceptable under the applicable financial reporting framework, not to be most appropriate to your particular circumstances;
- (ii) significant difficulties, if any, encountered during our audit;
- (iii) where the Audit Committee is not involved in managing the entity, we are also required to communicate:
 - significant matters, if any, arising from our audit that were discussed, or subject to correspondence with management; and
 - written representations we are requesting; and
- (iv) other matters, if any, arising from our audit that, in our professional judgment, are significant to the oversight of the financial reporting process.

Reliance by third parties

The services will not be planned or conducted in contemplation of reliance by any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly, in connection with a specific transaction.

Your responsibilities

Responsibility for financial statements and internal control

You are responsible for the preparation and the fair presentation of the financial statements and information referred to above. You are also responsible for establishing and maintaining an effective system of internal control over financial reporting to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In this regard, you are responsible for establishing policies and procedures that ensure financial statements are prepared in accordance with the requirements of Canadian Public Sector Accounting Standards.

Translated documents

If you engage us to translate the financial statements or other documents referred to above from one language to another, you are responsible for the translated documents.

Correction of errors

You are responsible for adjusting the financial statements to correct material misstatements and for confirming to us that all uncorrected misstatements identified by us during our audit are immaterial, both individually and in total, to the financial statements taken as a whole. In addition, we expect management will correct all known non-trivial errors.



Prevention and detection of fraud You are also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us:

- (i) of the risk that the financial statements may be materially misstated as a result of fraud;
- (ii) about all known or suspected fraud affecting you involving (a) management, (b) employees who have significant roles in internal control over financial reporting and (c) others where the fraud could have a non-trivial effect on the financial statements; and
- (iii) of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, investors or others.

Related party You are responsible for disclosing to us the identity of each related party as defined in Canadian Auditing Standard 550, *Related Parties* and all the related party relationships and transactions of which you are aware and, for providing to us any updates that occur during the course of this engagement.

Subsequent events You are responsible for informing us of subsequent events that may affect the financial statements of which you may become aware up to the date the financial statements are issued.

Laws and regulations You are responsible for identifying and ensuring that you comply with the laws and regulations applicable to your activities, including those pertaining to the services. You will make available to us information relating to any illegal or possibly illegal acts, and all facts related thereto and will provide information to us relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements.

Providing information on a timely basis You are responsible for making available to us, on a timely basis, all of your original accounting records and related information relevant to the preparation of the financial statements, additional information that we may request from you for the purposes of our audit and unrestricted access to your personnel who we may determine necessary to obtain evidence necessary to support our audit of the financial statements.

Management representation letter You will provide us with written representations concerning representations made to us during the audits covering the financial statements.

Other matters

Term – agreement continues in force It is understood that an engagement letter outlining our services will be entered into each year, including any update to the fee estimate and billing schedule. If neither we nor you exercise our respective right to terminate the services as outlined in the attached terms of business, this engagement letter will continue until we execute a new engagement letter.



As part of our process of assessing the quality of our services, you may receive questionnaires from us and visits from senior partners not directly involved in providing services to you. We appreciate the attention given to these questionnaires and visits and value your feedback.

If the services outlined herein are in accordance with your requirements and, if the above terms are acceptable, please have one copy of this letter executed in the spaces provided below and return it to us.

Yours very truly,

PricewaterhouseCoopers LLP

Chartered Professional Accountants

The services and terms as set forth in this letter, including the provisions of the attached schedules and our standard terms of business, are agreed to.

The City of Greater Sudbury

By:



Ms. Lorella Hayes, Chief Financial Officer and Treasurer

Oct 24/14

Date

Schedule A

Fees and billing schedule

Our Fee Estimate

Our fees for the audit of the consolidated financial statements of the City, as outlined in the Request for Quote (RFQ) (for the 2014 and 2015 years), will be \$91,000 in 2014 and \$93,000 in 2015. Our fees exclude HST.

In addition to the audit of the consolidated financial statements of the City for the years ending December 31, 2014 and 2015, we will also perform audit services for the entities/programs set forth in the Appendix to this letter for fiscal 2014 and 2015. Our engagements will be conducted in accordance with Canadian generally accepted auditing standards.

Our fees for the additional audit services (excluding HST), as outlined in the RFQ (for the 2014 and 2015 years), and the accounting framework for the preparation of the statements with respect to the Financial Statement Audits and Program Audits are set forth in the Appendix below.

Billing Schedule

We will address our invoices to Ms. Lorella Hayes (Chief Executive Officer and Treasurer). Our fees for the audit of the consolidated financial statements of the City will be billed as follows:

2014 Audit

Date	Fee amount
October 29, 2014	\$25,000
January 14, 2015	\$25,000
April 20, 2015	\$30,000
June 24, 2015	Balance

2015 Audit

Date	Fee amount
September 14, 2015	\$25,000
January 11, 2016	\$25,000
April 18, 2016	\$35,000
June 22, 2016	Balance

Our fees for the other audit services will be billed upon completion of the services.

All invoices are due for payment on receipt.

Conditions Impacting our Time and Fee Estimates

Our time and fee estimates take into account the agreed level of preparation and assistance from you. We will let you know promptly when and if for any reason the schedules, information and assistance provided as outlined in this engagement letter, are not sufficient for our services. We will provide you with a separate listing of required schedules, information requests and the dates such items are needed. We will also discuss with you and the Audit Committee any other issues that will require extra time and effort to resolve in order to revise the fee estimate to reflect additional services, if any, required for us to complete our work.

Schedule A

Fees and billing schedule

The conditions impacting our time and fee estimates include, but are not limited to, the following:

- 1 Changes to the timing of the engagement at your request may result in the services being performed by staff at a higher rate than initially planned, or difficulty in reassigning individuals to other engagements, either of which may result in our incurring significant unanticipated costs.
- 2 All schedules are not (a) provided by you on the date requested, (b) completed in a format acceptable to us, (c) mathematically correct or (d) in agreement with your accounting records (e.g. general ledger accounts).
- 3 Your personnel are not readily available or there is a significant delay in providing adequate responses to our requests for information, such as reconciling variances or providing requested supporting documentation (e.g. invoices, contracts and other documents).
- 4 Significant number of adjustments posted by you after we start our work that result in our having to update previously completed work.
- 5 The financial statements are received late or there are a significant number of drafts or a significant number of changes identified as a result of our review.

2014:

	Fee	Framework
Financial Statement Audits		
The City of Greater Sudbury Trust Funds	\$3,300	Canadian generally accepted accounting principles established by the Public Sector Accounting Board.
The City of Greater Sudbury Community Development Corp.	\$2,300	Canadian generally accepted accounting principles, Part III Not-for-profit organizations.
Pioneer Manor Long-Term Care Facility Trust Funds	\$1,600	Canadian generally accepted accounting principles established by the Public Sector Accounting Board.
Program Audits		
Walden Elderly Persons Centre	\$2,200	Elderly Persons Centres Act and Regulation 314 between the Ministry of Health and Long-Term Care and the City.
Homelessness Partnership Strategy	\$2,200	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	\$10,000	Long-Term Care Home Annual Report Technical Instructions and Guidelines issued by the Ministry of Health and Long-Term Care.

2015:

	Fee	Framework
Financial Statement Audits		
The City of Greater Sudbury Trust Funds	\$3,400	Canadian generally accepted accounting principles established by the Public Sector Accounting Board.
The City of Greater Sudbury Community Development Corp.	\$2,400	Canadian generally accepted accounting principles, Part III Not-for-profit organizations.
Pioneer Manor Long-Term Care Facility Trust Funds	\$1,650	Canadian generally accepted accounting principles established by the Public Sector Accounting Board.
Program Audits		
Walden Elderly Persons Centre	\$2,300	Elderly Persons Centres Act and Regulation 314 between the Ministry of Health and Long-Term Care and the City.
Homelessness Partnership Strategy	\$2,300	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	\$10,200	Long-Term Care Home Annual Report Technical Instructions and Guidelines issued by the Ministry of Health and Long-Term Care.

Terms of business

1	Introduction
2	PwC Firms and subcontractors
3	Your responsibilities
4	Confidentiality
5	Professional and regulatory oversight
6	Personal information
7	Working papers
8	Liability
9	Termination
10	Governing law
11	General

1 Introduction

- 1.1 **Interpretation** – In this agreement, the following words and expressions have the meaning given to them below:
services – the services set out in the engagement letter
the agreement – these terms and the engagement letter to which they relate (including any schedules)
we, us or our – refer to PricewaterhouseCoopers LLP, a limited liability partnership organized under the laws of the Province of Ontario
you, your – the party or parties, including their management, to the agreement (excluding us)
- 1.2 **Changes** – Either we or you may request a change to the services or this agreement. Any change will be effective only when agreed in writing.

2 PwC Firms and subcontractors

- 2.1 **Our relationship with you** – We are a member of the global network of PricewaterhouseCoopers firms (PwC Firms), each of which is a separate and distinct legal entity.
- 2.2 **Subcontractors** – We may use other PwC Firms or subcontractors to provide the services. We remain solely responsible for the services.
- 2.3 **Restriction on claims** – You agree not to bring any claim or action against another PwC Firm (or its partners, members, directors or employees) or our subcontractors in respect of any liability relating to the services or the agreement.

3 Your responsibilities

- 3.1 **Your obligations** – The performance of our services depends on your performing your obligations under the agreement. We are not responsible for any consequences arising from your not fulfilling your obligations.
- 3.2 **Solicitation and hiring of PwC personnel** – Our independence related to assurance engagements

may be impaired if you solicit or hire certain PwC personnel. This may either delay the provision of the services or cause us to resign from the engagement. You agree not to offer or permit your related parties to offer employment to or hire the lead engagement partner, the quality review partner or any other PwC partner and/or employee who has provided more than ten (10) hours of audit or review services until a period of twelve (12) months has passed from the date of our report on the applicable financial statements without first consulting with and obtaining the approval of the lead engagement partner on any proposed offer of employment.

- 3.3 **Oral advice and draft deliverables** – You may rely on our final written deliverables, but should not rely on oral advice or draft deliverables provided during the term of this agreement. If you wish to rely on something we have said to you, please let us know and, if possible, we will prepare a written deliverable on which you may rely.

4 Confidentiality

- 4.1 **Confidential information** – We and you agree to use the other party's confidential information only in relation to the services and not to disclose it, except where required by law, regulation or professional obligation. However, we may give confidential information to other PwC Firms or our subcontractors as long as they are bound by reasonable confidentiality obligations, given the sensitivity of the information provided. Periodically, we may perform benchmarking studies on an industry basis to provide additional value added information to our clients. You consent to our sharing of your confidential information with third parties for this purpose. Such benchmarking studies will be general in nature and the information provided will not contain any identifying features that can be attributed to you.
- 4.2 **Performing services for others** – You agree that we may perform services for your competitors or other parties whose interests may conflict with yours, as long as we do not disclose your confidential information and we comply with our ethical obligations.

5 Professional and regulatory oversight

- 5.1 **Reviews of us** – We are required to meet certain professional standards in the performance of our services. As such, we are regulated or overseen by various professional and regulatory bodies both in Canada and abroad (which bodies will depend on the nature of the services performed under this agreement). These professional and regulatory bodies have the right to inspect our files, including

working papers and other work product(s) relating to these services or the services provided in prior years to determine whether professional standards have been met. We may, from time to time, receive requests or orders from such bodies to provide them with information and copies of such working papers. We intend to provide such information and working papers in response to such requests.

- 5.2 **Reviews of you** – Certain regulatory bodies may also have the right to conduct investigations of you, including the services provided by us. To the extent practicable, we will advise you of any such investigation request or order prior to providing our working papers, except where we are prohibited by law from doing so.
- 5.3 **Privileged information** – Except where providing working papers is required by the laws of any jurisdiction that you or we are governed by, we will use all reasonable efforts to refuse access to any document over which you have expressly informed us that you assert privilege. You must mark any document over which you assert privilege as “PRIVILEGED”.
- 5.4 **Reimbursement of costs incurred** – You agree to reimburse us for our professional time and expenses, as well as reasonable fees and expenses of our legal counsel, incurred by us in responding to any investigation that is requested or authorized by you or of you required by government regulation, subpoena or other legal process.

6 Personal information

- 6.1 **Personal information** – We may collect, use, transfer, store or otherwise process information disclosed by you of a personal nature (personal information). We may process such personal information in various jurisdictions in which we or applicable PwC Firms operate. Such personal information will be at all times processed in accordance with the applicable laws and professional regulation. In addition, we will require any service providers that process personal information on our behalf to adhere to such requirements. You confirm that you have the authority to provide the personal information to us in connection with the performance of services and that the personal information provided to us has been disclosed in accordance with applicable law.

7 Working papers

- 7.1 **Ownership** – Any documents prepared by us or for us in connection with this agreement belong to us.

8 Liability

- 8.1 **Misrepresentation by you** – You agree to release and indemnify us and our agents, partners and employees, and hold us and them harmless

from all claims, liabilities, losses and costs arising in circumstances where there has been a misrepresentation by a member of your management or board of directors, regardless of whether such person was acting in your interest.

- 8.2 **No claims against individuals** – You agree claims or actions relating to the delivery of services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.

9 Termination

- 9.1 **Right to terminate** – Either party may terminate this agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination.
- 9.2 **Fees payable on termination** – You agree to pay us for all services we perform up to the date of termination, including services performed, work-in-progress and expenses incurred.

10 Governing law

- 10.1 **Law and jurisdiction** – The agreement and any dispute arising from it, whether contractual or non-contractual, will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein and are subject to the exclusive jurisdiction of the courts of the Province of Ontario.

11 General

- 11.1 **Matters beyond reasonable control** – No party will be liable (other than payment obligations) to the other if it fails to meet its obligations due to matters beyond its reasonable control.
- 11.2 **Entire agreement** – The agreement, once executed by both parties, forms the entire agreement between the parties in relation to the services. It replaces any earlier agreements, representations or discussions.
- 11.3 **Your actions** – Where you consist of more than one party, an act or omission of one party will be regarded as an act or omission of all.
- 11.4 **Assignment** – Without written consent, neither of us may assign any of our rights, obligations or claims under this agreement.
- 11.5 **Survival** – Any clause that is meant to continue to apply after termination of this agreement will do so.
- 11.6 **Severability** – If a court or regulator with proper jurisdiction determines that a provision of this agreement is invalid, then that provision will be interpreted in a way that is valid under applicable law or regulation. If any provision is invalid, the rest of this agreement will remain effective.

Appendix B: Draft audit service guideline



Audit Service Guideline

	Our commitment to you and expectations of the City	Additional audit services
Audit readiness and monitoring of audit progress	<ul style="list-style-type: none"> • We will provide a detailed listing of audit information requests and agree with management upfront the required dates to provide the requested information. • We will agree with you the start dates of our interim and year-end audit fieldwork. A completed trial balance that includes all management year-end closing entries will be provided at a date agreed to upfront with management. • We will hold periodic meetings with management (dates and times to be agreed upfront) to discuss the status of the audit. As part of these meetings, we will provide a detailed list of outstanding items and will highlight any items that require more urgent attention and follow up. 	<ul style="list-style-type: none"> • Delays in receiving requested information that results in idle staff time or staffing changes or any changes to the trial balance subsequent to the agreed upon date that results in additional audit testing will be billed separately.
Significant accounting and reporting matters	<ul style="list-style-type: none"> • We will hold meetings with key staff at the City as part of the audit planning process to understand significant developments and changes for the current year and share with you our views on the accounting and audit implications. • For significant new developments that have an accounting, reporting and/or auditing impact, management will prepare a position paper, in an agreed format, summarizing the issue, the technical analysis/research supporting management's position and the impact to the City. 	<ul style="list-style-type: none"> • Time incurred to review management's position paper and resolve significant accounting matters will be billed separately. • In addition, time incurred to quantify and perform additional audit procedures, as necessary, to validate adjustments will be billed separately.
Financial statement review	<ul style="list-style-type: none"> • Year-end financial statements and note disclosures will be prepared and reviewed by management and provided to us for our review in accordance with the timelines as outlined in our audit information request listing at a date agreed to upfront with management. • We will review two consolidated versions of the financial statements. We will provide our comments, including any suggestions for change to management, on the first version and will review a second version of the financial statements for any changes made as a result of our initial review. 	<ul style="list-style-type: none"> • Significant revisions to the financial statements (i.e. re-writing of note disclosures or pervasive mathematical errors and/or internal inconsistencies) and reviewing multiple versions of the financial statements (i.e. more than two versions) will be billed separately.
Audit Committee/ Board meetings	<ul style="list-style-type: none"> • We will attend one Audit Committee meeting at year-end to present our year-end audit report (summarizing our key audit findings). In addition, we will attend one Audit Committee meeting in the interim to present our Audit Plan (summarizing our audit approach, materiality and perspectives on key risks). • Prior to the mailing deadlines for these meetings, we will provide management with a draft of our reports and hold a pre-meeting to discuss any comments or revisions suggested by management. 	<ul style="list-style-type: none"> • Additional meetings with the Audit Committee and additional drafting sessions or clearance meetings with management will be billed separately.

For Information Only
Orientation - Office of Auditor General

Presented To:	Audit Committee
Presented:	Tuesday, Jan 13, 2015
Report Date	Wednesday, Jan 07, 2015
Type:	Presentations

Recommendation

For Information Only

Signed By
Report Prepared By Vasu Balakrishnan Interim Auditor General <i>Digitally Signed Jan 7, 15</i>
Division Review Vasu Balakrishnan Interim Auditor General <i>Digitally Signed Jan 7, 15</i>



Orientation - Office Of Auditor General

By: Vasu Balakrishnan, Interim Auditor General
To: Audit Committee
January 13, 2015.

Overview

- Role of Auditor General
- Current practices
- Future possibilities
- Areas for improvement
- Questions

AG responsibilities – Municipal Act

Assisting the Council



In holding itself and administrators **accountable** for:

- **Quality of stewardship** of public funds,
- **Achievement** of **value for money** in **municipal operations**.

City Of Greater Sudbury - Mission

Provide **excellent**  access to quality municipal services



Leadership



in Social, Environmental and Economic development of City of Greater Sudbury.

Orientation presentation – OAG

Current Practices

- Planned Audits
- Follow up Audits
- Education, (limited) suggestions/consulting services without impacting independence
- Monitor new developments and emerging risks
- Receive information/complaints

Future possibilities

- Assess/audit key performance to objective goals established by departments.
- Audit of Agencies, Boards, Commissions and Corporations controlled by CGS.
- Information Technology audits/Risks.
- Facilitate development/design of a system to channelize information/complaints received.
- Track/share good and emerging practices followed at other Municipalities.

Role of Auditor General

Questions/ Suggestions ?