



City of Greater Sudbury

Audit Planning Report to the Audit Committee for year ending December 31, 2010

March 9, 2011

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Audit plan for Audit Committee consideration

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This Audit Planning Report is prepared for the year ending December 31, 2010 and is designed to provide an overview for the Audit Committee of the audit procedures to be performed by the Auditor in discharging its audit responsibilities.

This Audit Planning Report is confidential and intended solely for the use of the Audit Committee with respect to carrying out and discharging their responsibilities and should not be used for any other purposes. No responsibility for loss or damages, if any, to any third party is accepted as this report has not been prepared for, and is not intended for, any other purposes.

Audit Plan 2010

What has changed from last year?

Regulatory, Accounting and Auditing Standards

Accounting standards

- New PSAB Standards
 - Government Transfers – Effective for periods on or after April 1, 2012
 - Tax revenue – Effective for fiscal years beginning on or after April 1, 2012
 - Liability for Remediation and Mitigation of Contaminated Sites – Effective for fiscal years beginning on or after April 1, 2014
- PSAB Projects
 - Financial instruments - re-exposure draft

Audit Plan 2010

What has changed from last year?

Auditing standards

- New Canadian Auditing Standards are effective for periods ending on or after December 14, 2010
 - Consistent with the International Auditing Standards
- Significant reporting differences relate to
 - Date of the audit report
 - Form and content of the audit report
 - Identifies Managements and Auditor's responsibility
 - Opinion
- Significant audit performance differences
 - Required communications with those charged with governance relating to
 - Audit approach
 - Fraud and non-compliance with laws or regulations
 - Control deficiencies/misstatements/accounting policies
 - Significant difficulties and matters arising from the audit

Audit Plan 2010

Scope – Materiality

Scope - Materiality

- Materiality
 - used to plan the audit
 - Evaluate the effect of misstatements
- Materiality determined to be \$2,846,000
- Reassess the appropriateness of at year-end
- Report to you corrected and uncorrected non-trivial misstatements identified during the audit
- Should uncorrected misstatements remain we will
 - Request that uncorrected misstatements be corrected
 - Communicate the effect that uncorrected misstatements may have on the opinion in audit report

Audit Plan 2010

Scope – Audit Process

Significant account and disclosures

- Cash, Accounts Receivable, Tangible Capital Assets, Grant Revenue, Taxation Revenue, Other Revenue, Accounts Payable and Operating Expenses , Post Employment Liability, Solid Waste Liability, Long-term Liabilities , Payroll and Benefits

Audit Procedures

- Combined controls and substantive approach
- Understanding Management's process over initiation, authorization and recording of transactions
- Testing detailed transactions
- Performing analytical procedures

Other

- Incorporate an element of unpredictability into the audit
- Procedures of which Management is unaware of
- Meet with Internal Auditor

Audit Plan 2010

Scope – Timing

Topic	Date
Audit planning procedures	Commencing November 2010 and monitored continuously throughout the audit process
Conduct interim audit field work	December 2010
Present audit planning report to the Audit Committee	March 2011
Conduct year-end audit field work	April 2011
Closing conference with management	May 2011
Present audit findings report to the Audit Committee	May 2011
Provide audit opinion on financial statements	May 2011

Audit Plan 2010

Executing the Audit

Service team and multidisciplinary resources

- We will continue to make every effort to meet your needs and exceed expectations by:
 - utilizing professionals who understand the key issues being addressed by management
 - keeping pace with changes in the industry and at the City
 - anticipating issues and adequately planning all aspects of our service
 - being available and responsive.

Service team

Wayne McDonald

Lead Audit Engagement Partner

Ed Reilly

Marc Bertrand

Engagement Partners

Sandra Moskal

Audit Engagement Manager

Multidisciplinary resources

Oscar Poloni

Engagement Quality Control Reviewer, Partner

QUESTIONS?