

Background

The City of Greater Sudbury has public accountability therefore auditing standards require auditors to communicate specific information to the City's Audit Committee. The City's external auditors, KPMG LLP, will be presenting their Audit Findings Report with respect to the 2019 year-end which will include the following:

- Audit, fraud and other risks and results
- Financial Statement presentation and disclosure
- Adjustments and differences
- Control observations

In addition to reporting that the City's financial transactions appropriately followed Generally Accepted Accounting Principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, management also has a responsibility to apply their best judgment at the time in preparing accounting estimates and/or disclosures in the financial statements.

The auditors apply the concept of materiality in determining whether or not the statements are considered to be fairly stated. Materiality includes both qualitative and quantitative factors which are assessed in the light of whether or not they may influence the decisions made by persons relying on the financial statements. The external auditors have confirmed that there are no material unadjusted financial statement misstatements.

A further requirement of any audit is to obtain sufficient understanding of internal controls and to test those internal controls so that the external auditors can place reliance on them as part of the audit. As outlined in the Audit Findings Report there were no observed weaknesses in the City's system of internal controls and financial reporting processes.

The presentation will communicate a summary of any significant findings and other matters which our external auditors believe should be brought to your attention, thereby assisting the Audit Committee with respect to their review and recommendation to Council for approval of the City of Greater Sudbury's 2019 Consolidated Financial Statements.

Attached is the complete Audit Findings Report prepared by the external auditors.