



City of Greater Sudbury

Audit Findings Presentation
Year Ended December 31, 2018



Auditors' Opinion



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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the
City of Greater Sudbury

Opinion

We have audited the accompanying consolidated financial statements of the City of Greater Sudbury, (the "City"), which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2018, and its consolidated results of operations and accumulated surplus, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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- Unqualified or 'clean' audit opinion
- Based on materiality of \$12.1 million and a posting threshold of \$605,000
- Financial statements are draft pending Council approval
- Auditors' Report reflects new standards



Key Areas of Audit Focus

- Revenue recognition
- Capital additions
- Management estimates
- Financial reporting (fraud risk)
- Control overrides (fraud risk)
- New accounting standards
- Non-compliance with policy (reputational risk)

Procedures Performed

- Control testing
- Substantive testing
- Substantive analysis
- Evaluation of management experts
- Value-added procedures

Overall Audit Findings

- Clean audit differences summary
 - No identified audit differences above our posting threshold
- Good cooperation and support from management and staff
- Able to execute our audit as planned
- No identified weaknesses in internal controls over financial reporting



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