

Committee Report

To:	Warden Hicks and Members of Grey County Council
Committee Date:	March 24, 2022
Subject / Report No:	FR-CW-06-22
Title:	2021 External Audit – BDO Planning Report
Prepared by:	Sue Murray, Manager of Budgets and Accounting
Reviewed by:	Mary Lou Spicer, Director of Finance
Lower Tier(s) Affected:	
Status:	Recommendation adopted by Committee as presented per Resolution CW46-22; Endorsed by County Council April 14, 2022 per Resolution CC35-22

Recommendation

1. That Report FR-CW-06-22 titled **2021 External Audit – BDO Planning Report and the Audit Planning Report for the year ending December 31, 2021 prepared by BDO Canada LLP, Chartered Professional Accountants be received for information.**

Executive Summary

The Audit Plan as provided by BDO is designed to highlight and explain key issues relevant to the audit including the audit team, timeline, significant audit risks, materiality, fees, engagement objectives of the audit work, fraud discussion, and the terms of the engagement. The audit process will conclude with BDO's preparation of their final report to Committee of the Whole, anticipated to be provided by June 23rd, 2022.

Background and Discussion

The Municipal Act, under section 296, requires a municipality to appoint an auditor licensed under the Public Accounting Act for a term not to exceed five years. The auditor is responsible for:

- Annually auditing the accounts and transactions of the municipality and its local boards and expressing an opinion on the financial statements of these bodies based on the audit.
- Performing duties required by the municipality or local board.

As appointed auditors for Grey County, BDO has provided a formal Audit Planning Report (attached) for the year ending December 31, 2021.

The Audit Planning Report is designed to highlight and explain key issues relevant to the audit including timeline, audit risks, materiality, engagement objectives and the terms of the engagement.

The Report forms a communication strategy with Committee Members.

It also identifies the following engagement objectives for the audit for the year ending December 31, 2021:

- Forming and expressing an audit opinion on the consolidated financial statements.
- Presenting significant findings to the members of the Committee including key audit and accounting issues, any significant deficiencies in internal control and any other significant matters arising from their work.
- Providing timely and constructive management letters. This will include deficiencies in internal control identified during the audit.
- Work with management towards the timely issuance of consolidated financial statements and tax returns.

Legal and Legislated Requirements

As described above.

Financial and Resource Implications

General Administration 2021 budget has funding provided for the completion of the audit for the year ending December 31, 2021. This funding is based on the five-year pricing received from BDO as part of the pricing proposal for Financial Auditing Services that had been negotiated with BDO. Committee Report FR-CW-25-19 titled Appointment of Auditors appointed BDO Canada LLP of Owen Sound as auditors for the County of Grey for a period of five (5) years beginning with the 2019 fiscal year.

Relevant Consultation

Internal Senior Management and Finance staff have been advised of the dates and the requirements for the 2021 external audit.

Appendices and Attachments

[BDO Planning Report](#)