



COUNCIL REPORT

2023 Year-End Audit Service Plan

Electoral Division: N/A

File: N/A

Date:	February 13, 2024		
Presenter:	Isedua (Issy) Agbonkhese, Manager, Financial Services		
Department:	Financial Services		
Approved by:	<input checked="" type="checkbox"/> Executive Director / Director	and/or	<input checked="" type="checkbox"/> Chief Administrative Officer

REPORT SUMMARY

This report informs Council of BDO Canada LLP's (BDO) 2023 year-end audit service plan.

The Audit Service Plan supports the *Municipal Government Act* section 281(1): “The auditor for the municipality must report to the council on the annual financial statements and financial information return of the municipality.”

This plan is provided annually as part of the provincially-mandated audit process and sets out how BDO will conduct the 2023 audit. BDO intends to present its 2023 year-end audit findings to Council in April of 2024. BDO's 2023 year-end audit service plan is attached to this report for information.

BDO is present and available to discuss various topics, including materiality, fraud, the County's specific needs and expectations, or any other issues or concerns. Members of Council can contact the Auditor at any time or direct the undertakings of the Auditor. For this discussion, Council may choose to move into closed session under the following sections of the *Freedom of Information and Protection of Privacy Act*:

Section 24 – Advice from officials

Section 25 – Disclosure harmful to economic and other interests of a public body.

ADMINISTRATION'S RECOMMENDATION

THAT Council receives the 2023 year-end audit service plan for information.

BACKGROUND

On October 17, 2023, Council appointed BDO as Rocky View County's auditors for a period of five years, ending on December 31, 2027. BDO has provided the attached year-end audit service plan to discuss their overall strategy, significant risk areas that have been identified, and terms of engagement, including a determined preliminary materiality of \$6.0 million for the audit of Rocky View County's 2023 financial statements.

Materiality is based on the County's 2023 Q3 financial statements. If actual results change significantly, BDO will communicate the revised materiality threshold to Council as part of the year-end presentation. BDO's mandate includes completing an audit of the following areas:

1. The County's annual financial statements and supporting information, including an independent auditor's report and management letter.
2. The County's municipal Financial Information Return (FIR).
3. The Family & Community Support Services (FCSS) program financial statement; and

2023 Year-End Audit Service Plan

4. The payroll statement for Local Authorities Pension Plan (LAPP).

ANALYSIS

BDO responsibilities are as follows:

1. Report on whether the December 31, 2023, financial statements present fairly – in all material respects – the financial position, results of operations, and cash flows of the municipality in accordance with Canadian Public Sector Accounting Standards.
2. Conduct the audit in accordance with generally accepted Canadian auditing standards.
3. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for an opinion.
4. Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the municipality's control.
5. Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
6. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County's ability to continue as a going concern.
7. Evaluate the financial statements' overall presentation, structure, and content, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATIONS / ENGAGEMENT

No communication or engagement is currently required at this stage in the audit process.

IMPLICATIONS

Financial

There are no financial implications.

STRATEGIC ALIGNMENT

This report is a statutory obligation under section 281(1) of the *Municipal Government Act*.

ALTERNATE DIRECTION

Administration does not have an alternate direction for Council's consideration.

ATTACHMENTS

- Attachment A: BDO Canada LLP Engagement Letter
- Attachment B: BDO Canada LLP 2023 Audit Service Plan