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**Subject:** 2020 External Audit Planning Report

**Report to:** Audit Committee

**Report date:** Monday, September 21, 2020

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## **Recommendations**

1. That this report **BE RECEIVED** for information.

## **Key Facts**

- The requirement for an annual audit is established in the Municipal Act, S.O. 2001, c paragraph 294.1 through 296.1.
- Deloitte is in an agreement with the Niagara Region to provide auditing services until the fiscal year ending March 31, 2021.

## **Financial Considerations**

The consolidated financial statements will be prepared in compliance with legislation and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada. Upon completion of the 2020 Annual Report, the audited financial statements will be available to the public on the Niagara Region's website:

<https://www.niagararegion.ca/business/finance/annual-reports/default.aspx>

The audit fees for 2020/2021 are estimated at \$150,720, an increase over the fees for 2019/2020 of \$146,450 in alignment with the service agreement and specified increases every two years. The fees include the audit of Niagara Region's consolidated financial statements, program-specific audits required by various Ministries and other reports. It does not include the fees for an audit of the Niagara Regional Police Services or the Niagara Region Police Services special bank as that will be approved and presented to their board as required. The audit of the consolidated financial statements has been budgeted within the Corporate Services department and the audit fees for program-specific audits have been budgeted within the respective program areas.

## **Analysis**

The audit planning report is a communication provided to the Audit Committee to inform the Committee of the responsibilities of the Auditor in relation to the financial statement audit, and an overview of the scope and timing of the audit. It also provides the Audit Committee with the opportunity to assess the audit plan to communicate any concerns to Deloitte prior to the commencement of the audit.

The Audit Planning Report, attached in Appendix 1, applies to the audit of the Niagara Region consolidated financial statements for the fiscal year ending December 31, 2020. The report also applies to program-specific audits completed annually due to provincial requirements (as in the case of provincially funded programs), or in certain situations where audits or reviews are performed to ensure that an independent audit or review report on those operations is provided to the appropriate oversight body.

## **Alternatives Reviewed**

The consolidated financial statements are prepared using Public Sector Accounting Standards and therefore no alternative is available.

## **Relationship to Council Strategic Priorities**

The preparation and audit of the consolidated financial statements of the Niagara Region is a key component of the Niagara Region's overall system of control over the reliability of financial reporting, which supports a Sustainable and Engaging Government through Enhanced Communication.

## Other Pertinent Reports

None noted.

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### Prepared by:

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Corporate Services

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### Recommended by:

Todd Harrison, CPA, CMA  
Commissioner/Treasurer  
Corporate Services

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### Submitted by:

Ron Tripp, P.Eng.  
Acting Chief Administrative Officer

*This report was prepared in consultation with Helen Chamberlain, Director, Financial Management & Planning, Corporate Services.*

## Appendices

Appendix 1            Regional Municipality of Niagara 2020 Audit Plan