

City of Mississauga Corporate Report



<p>Date: April 16, 2021</p> <p>To: Chair and Members of Audit Committee</p> <p>From: Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer</p>	<p>Originator's files:</p> <hr/> <p>Meeting date: May 3, 2021</p>
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Subject

2020 External Audit Findings Report

Recommendation

That the 2020 External Audit Findings Report, dated April 16, 2021 from the Commissioner of Corporate Services and Chief Financial Officer, which includes the Audit Findings Report from KPMG for the fiscal year 2020 for the City of Mississauga (City), be received for information.

Executive Summary

- The City's external auditors, KPMG LLP, have completed the audit of the City's Consolidated financial statements, and have rendered an opinion that the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.
- The 2020 External Audit Findings Report provides an overview of the 2020 audit process and findings and highlights those matters on which the Auditors wish to advise the Audit Committee.
- The Audit Committee is responsible for reviewing any reports and correspondence from the External Auditor relating to the City and any local boards or agencies, which may be created.
- There was 1 corrected adjustments, related to a \$1.8 million in contingent liabilities that were overstated. Processes have been adjusted to accommodate this change in future years.
- In 2019, there was 1 process improvement recommendation that has been implemented.

Background

The Audit Committee's Terms of Reference (Bylaw #0321-2010) establishes the role and responsibilities of the Audit Committee. The assigned responsibilities of the Committee include reviewing and making recommendations to Council regarding the external audit function, internal audit function, financial reporting, internal controls, and compliance

The Audit Committee is responsible for reviewing any reports and correspondence from the External Auditor (KPMG LLP) relating to the City and any local boards or agencies, which may be created. For fiscal year 2020, local boards and agencies include Tourism Mississauga, Mississauga Public Library Board and the five Business Improvement Area Associations.

Comments

KPMG has now completed the statutory audit for the fiscal year 2020 and have issued an Audit Findings Report for information.

As per the independent auditor's report accompanying the City's 2020 Consolidated financial statements, KPMG has rendered an opinion that the City's financial statements present fairly, in all material respects, in accordance with Canadian public sector accounting standards.

The 2020 External Audit Findings Report assists the Audit Committee in the review of the consolidated financial statements and provides an overview and summary of the findings and an assessment of the completed audit. The report also provides information and comments regarding the following areas:

- Significant audit, accounting and reporting matters
- Any corrected or uncorrected audit items
- Control deficiencies and business improvement observations

The Process Improvement Observations section provides auditor comments and recommendations relating to the design or effectiveness of internal controls, and/or enhancements to financial accounting and reporting. KPMG confirmed their independence in the Audit Planning Report. As there is no change at year-end, they did not make a note related to independence in the Audit Findings Report. The independence disclosure identifies any professional services provided by our external auditors, KPMG, to the City during the year. It also identifies any relationships with the City that may reasonably be thought to bear on auditor independence.

2020 Corrected Adjustments: City Consolidated Financial Statements

There was one corrected adjustment in the 2020 financial statements, related to the recognition of a contingent liability in the financial statements.

Legal Services provided an assessment and listing of pending legal claims in terms of determination of likelihood and measurability. When reviewed with KPMG, Legal and Finance, an overstatement of \$1.8 million in the liability was identified, and corrected.

In future years, additional information on the accounting standard related to contingent liabilities will be included in the instructions provided when providing the claims listing.

Financial Impact

There is no financial impact as a direct result of this report.

Conclusion


The 2020 External Audit Findings Report provides an overview of the 2020 audit process.

The report highlights any audit findings and/or audit observations and recommendations for the Audit Committee's review and consideration. There was 1 corrected difference related to an overstatement of contingent liabilities. There were no uncorrected differences.

The auditors had no concerns with management's feedback and responses to the recommendations.

Attachments

Appendix 1: 2020 Audit Findings Report



Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer

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