

City of Mississauga  
**Corporate Report**



<p>Date: November 10, 2022</p> <p>To: Chair and Members of Audit Committee</p>	<p>Originator's files:</p>
<p>From: Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer</p>	<p>Meeting date: December 5, 2022</p>

## Subject

**2022 External Audit Plan**

## Recommendation

That the report dated November 10, 2022, from the Commissioner of Corporate Services and Chief Financial Officer titled "2022 External Audit Plan" be received for information.

## Executive Summary

- The External Audit Planning Report informs Audit Committee and City management of the audit procedures to be performed by KPMG in discharging its responsibilities for the City's 2022 external audit.
- The Audit Engagement Letter sets out the responsibilities of Audit Committee, management, City staff and KPMG. The Engagement Letter was presented to Audit Committee at the start of the audit contract and is not required annually.

## Background

Under the Audit Committee Terms of Reference (By-law 0069-2015), the Committee is responsible for reviewing the terms of the engagement, fees and scope of the City's external audit. On May 11, 2020, Audit Committee approved a recommendation to extend the existing contract with KPMG LLP, Chartered Accountants (KPMG), for the fiscal years 2020-2024. KPMG has been providing the City with statutory audit services to the City of Mississauga since 1994, and were awarded the current contract in 2015 after a competitive procurement.

## Comments

### Engagement Letter

The Engagement Letter was presented to Audit Committee at the start of the audit contract (2021) and is not required to be updated annually.

The engagement letter sets out the responsibilities of the Audit Committee, management, City staff, and KPMG. It also includes the objectives, scope and limitations of the external audit. Communication matters are also discussed. The Audit Engagement letter establishes the following:

- The primary objective of the external audit is to discharge the statutory obligation of reporting to Council and the boards, inhabitants and ratepayers of Mississauga in accordance with municipal legislation. This will involve KPMG issuing an opinion on whether the financial statements present fairly the financial position and results of operations in accordance with generally accepted accounting principles.
- The secondary objective of the external audit is to provide feedback on internal accounting practices, operating controls and other matters of material financial importance with respect to the City and its local boards. Accordingly, through the audit, KPMG would also provide recommendations as to corrective actions and offer advice and assistance with regard to implementation, if requested to do so.

### The Audit Plan

The Audit Plan establishes the audit approach for the City's external audit. This informs Audit Committee and management of the audit procedures to be performed by KPMG in discharging its audit responsibilities. Appendix 1 contains the audit plan, which includes but is not limited to:

- Organizational areas to be audited
- Financial controls and policies
- Specific areas of auditing focus
- Materiality for misstatements and audit findings
- Audit cycle and timetable
- Audit quality and risk management
- Audit approach and methodology
- Current and future developments that are relevant to the City (i.e. new accounting standards)
- Other relevant information regarding the audit

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## Financial Impact

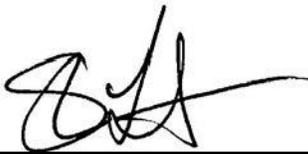
There are no financial impacts resulting from the recommendations in this report.

## Conclusion

Finance staff support the recommendations, approach and schedule outlined in the 2022 Audit Planning Report. The audit objectives described in the 2022 Audit Plan have been set, and will be applied during the upcoming annual audit.

## Attachments

Appendix 1: 2022 Audit Planning Report



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Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer

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