



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council
From: City Manager (CAO)
Subject: 2022 Audited Financial Statements

File No.: 1870-02 [2022]
Date: May 10, 2023

PURPOSE:

The purpose of this report is to request approval of the audited financial statements for the year ended December 31, 2022.

EXECUTIVE SUMMARY:

The firm of MNP LLP was appointed by Council to undertake the independent audit for the 2022 year. Under the terms of their engagement, the interim audit work was performed in October 2022, and final audit work undertaken in March 2023. Presentation of the financial statements and auditor's report will take place on May 10, 2023.

We are pleased to report that MNP LLP will be providing an unqualified opinion on the 2022 consolidated financial statements.

BACKGROUND:

Section 171 of the *Community Charter* requires that the municipal auditor report to Council on the annual financial statements.

The auditor's responsibility is to report on whether the annual consolidated statements present fairly, in all material respects, the financial position, results of operations, change in net financial assets and cash flows of the City in accordance with Canadian Public Sector Accounting Standards. In addition, their role is to provide reasonable, but not absolute, assurance of detecting misstatements, fraud or non-compliance with laws and regulations having a material effect on the consolidated financial statements as a whole.

Council is responsible for the review and approval of the annual financial statements.

DISCUSSION:

The firm of MNP LLP was appointed by Council to undertake the annual independent financial audit of the City for the 2022 calendar year. In October, MNP communicated their Audit Service Plan to Council, and audit staff were on site in October to perform the interim audit process. The final 2022 audit procedures were carried in March 2023.

At the May 10, 2023 Council meeting, MNP will provide Council with their 2022 Audit Findings Report, as well as present an overview of the City's financial position.

Attached are the following documents for Council's reference:

1. Independent Auditor's Report, MNP LLP
2. Audit Findings Report for the year ended December 31, 2022
3. City of Courtenay, Audited Financial Statements for the year ended December 31, 2022

We are pleased to report that the audit is complete, and that the firm of MNP LLP will be providing an unqualified opinion on the 2022 consolidated financial statements.

POLICY ANALYSIS:

Section 171 of the *Community Charter* requires that the municipal auditor report to Council on the annual financial statements. Council is responsible for the review and approval of the financial statements. This is one of the key roles that Council fulfils to ensure that the City's financial and organizational resources are sound.

FINANCIAL IMPLICATIONS:

Not applicable

ADMINISTRATIVE IMPLICATIONS:

On Council review and approval of the financial statements, staff will compile and distribute the statements as required to various authorities. In addition, the financial statements will be made publicly available via the City's website.

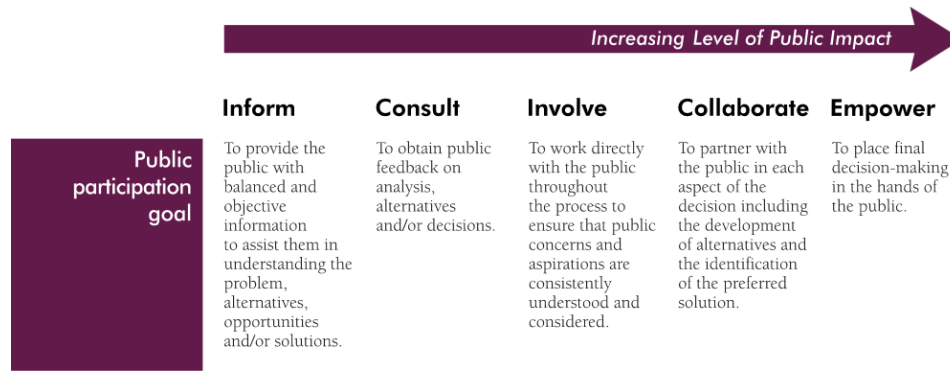
STRATEGIC PRIORITIES REFERENCE:

While the annual audit work and compilation of the consolidated financial statements are not specifically referenced in the City's strategic plan, staff resources are used to carry out this annual statutory requirement.

- **AREA OF CONTROL:** The policy, works and programming matters that fall within Council's jurisdictional authority to act
- ▲ **AREA OF INFLUENCE:** Matters that fall within shared or agreed jurisdiction between Council and another government or party
- **AREA OF CONCERN:** Matters of interest that are outside Council's jurisdictional authority to act

PUBLIC ENGAGEMENT:

The public will be **informed** of the outcome of Council's consideration of the 2022 Audited Financial Statements. This is based on level one of the IAP2 Spectrum of Public Participation adopted as an element of Sound Project Design for the Corporate Workplan. Staff would inform the public based on the IAP2 Spectrum of Public Participation:



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OPTIONS:

1. THAT Council approve the Audited Financial Statements for the year ended December 31, 2022.
2. THAT Council does not approve the Audited Financial Statements for the year ended December 31, 2022.

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