



THE CORPORATION OF THE CITY OF COURTENAY

## STAFF REPORT

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**To:** Council

**File No.:** 1680-01

**From:** City Manager (CAO)

**Date:** September 27, 2023

**Subject:** Audit Service Plan for Year Ending December 31, 2023

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### **PURPOSE:**

The purpose of this report is to obtain Council appointment of an auditor for the 2023 year and the approval of the Audit Service Plan for the year ending December 31, 2023.

### **BACKGROUND:**

The auditors, MNP LLP have prepared and submitted the Audit Service plan for the year ending December 31, 2023. Communicating this plan to Council is a requirement under Canadian Auditing Standards 260.

### **DISCUSSION:**

The Audit Service plan documents the overall approach and the general arrangements for the conduct of the 2023 audit. Its intent is to assist Council in understanding both the scope of, and the approach to, the audit work, and to have MNP LLP report to Council on the results of their 2023 audit in April 2024.

### **POLICY ANALYSIS:**

Section 169 of the *Community Charter*, requires Council to appoint an auditor to conduct the annual municipal audit. To-date, MNP LLP is providing this service for the City. Canadian Auditing Standards 260 (CAS 260) 'communication with those charged with governance' is the current standard for auditing in Canada and requires the Auditors to communicate the following with Council:

- a) The audit and non-audit services the auditor is providing to the City and its related entities;
- b) The level of responsibility assumed by the auditor under generally accepted auditing standards; and,
- c) A summary of the audit approach.

### **FINANCIAL IMPLICATIONS:**

For 2023, the estimated audit fees are \$42,950; the 2023 fees are \$2,000 higher than those of 2022 due to the new Asset Retirement Obligations accounting standard (PS 3280). Details of the audit fees are on page 4 of the attached Audit Service Plan.

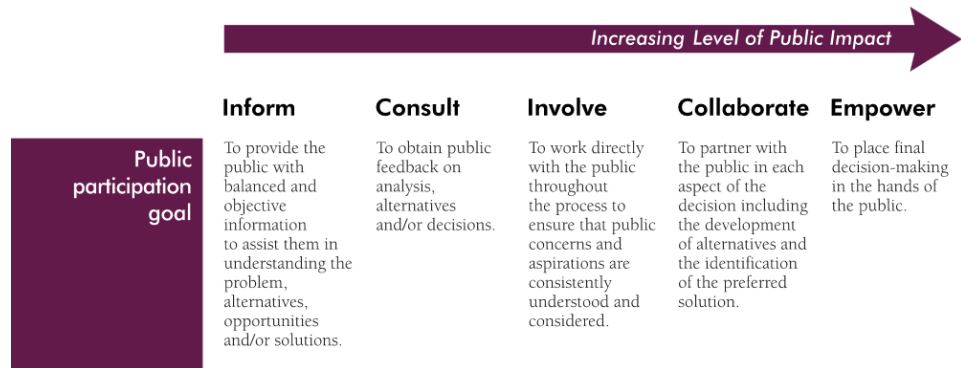
### **ADMINISTRATIVE IMPLICATIONS:**

Preparation of the City's year-end documents, drafting of the 2023 financial statements and coordinating the annual municipal audit are significant statutory tasks for the Finance Department. The auditors will be commencing preliminary on-site audit work in late October 2023 with the goal of finalizing audit work in mid-April 2024.

**Audit Service Plan for Year Ending December 31, 2023**

**PUBLIC ENGAGEMENT:**

Staff would inform the public based on the IAP2 Spectrum of Public Participation:



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**OPTIONS:**

1. THAT Council appoint MNP LLP as the City’s auditors for 2023;  
AND THAT Council approve the 2023 Audit Service Plan as presented for the year ending December 31, 2023
2. THAT Council provide alternative direction to staff.

**ATTACHMENTS:**

1. MNP LLP – the Corporation of the City of Courtenay, Audit Service Plan, for the year ending December 31, 2023

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