



**Corporate Services Department**

**Memorandum**

**TO:** Krista Power, Director – Legislative Services & City Clerk **FILE:**

**FROM:** Andrea Morrison, CPA, CA, Director Finance Corporate Services – Finance

**DATE:** 02/27/2026

**SUBJECT:** Audit Committee: Introduction to Audit Plan

**MEETING & DATE:** Finance and Admin/Audit Committee - 03/10/2026

**Background**

Following the restructuring of Council committees in September 2025, the Finance and Administration Committee has assumed the responsibilities of the Audit Committee for the Municipality. This role was previously performed by a committee which included both Council and members of the public.

The Audit Committee performs a governance role, which includes providing independent oversight of the Municipality’s external audit function to ensure transparency, accountability, and adherence to professional auditing and financial reporting standards.

The Committee’s oversight role does not involve designing the audit but rather focuses on monitoring the process, understanding key risks, and ensuring management appropriately addresses any findings or recommendations.

The Audit Plan for the Municipality’s 2025 consolidated financial statements will be presented by the external auditor, MNP LLP, at this meeting. The plan outlines the audit approach and areas of focus for the upcoming audit.

The purpose of this memo is to provide context for the Audit Plan and explain how this document supports the Committee’s oversight role.

## **Audit Plan**

The Audit Plan is a document prepared by the external auditor outlining the planned approach to the annual audit of the Municipality's financial statements. It reflects the auditor's assessment of risk, scope of work, and overall audit strategy in accordance with Canadian Auditing Standards.

The Plan serves as the guide for the audit work to be completed and a basis for comparison when the final audit results are presented.

The Audit Plan supports the Committee's governance responsibilities by:

- **Supporting Accountability** - helps ensure that the Municipality's financial statements are accurate, complete, and transparent.
- **Promoting Risk Awareness** - identifies potential financial reporting or operational risks.
- **Strengthening Governance** - confirms that the audit is independent, objective, and executed according to professional standards.

Reviewing the Audit Plan allows the Committee to understand how the external audit will be carried out prior to completion of year-end audit procedures.

## **Committee Role in Audit Oversight**

Under Canadian Auditing Standards (CAS 260), the Committee is recognized as "those charged with governance" for the purposes of the external audit. In this capacity, the Committee's oversight role typically includes:

### **Audit Plan Review**

- Receive and review the Audit Plan, including the auditor's identified areas of risk and key considerations

### **Discussion with Auditor**

- Engage in discussion with the auditor regarding financial reporting, risk, and internal controls

### **Audit Oversight**

- Maintain awareness of the audit process and the auditor's independence

### **Findings and Follow-Up**

- Receive audit findings and management responses

The Audit Committee does not direct the audit or perform audit procedures; their role is intended to provide oversight to the process and to ensure that the audit ultimately delivers appropriate assurance to Council and the public.

## **Areas That May Inform Discussion**

When considering the Audit Plan, areas of discussion may include:

- Significant financial reporting risks or changes from prior years
- Areas involving management judgment or estimates
- Internal controls over key financial processes
- Auditor independence and scope
- Management responses to previous audit findings

These points are provided for context only. Committee members may wish to focus on any aspects they consider relevant in fulfilling their governance role.

## **Conclusion**

The Audit Plan is an important tool that supports the Committee in fulfilling its oversight role. An understanding of the Plan contributes to transparency, accountability, and effective governance over the Municipality's financial reporting process.