



Regional Municipality of Waterloo

Audit Committee

Minutes

Wednesday, November 16, 2016

1:06 p.m.

Waterloo County Room

150 Frederick Street, Kitchener

Present were: Vice Chair K. Redman, T. Galloway, G. Lorentz and K. Seiling

Members absent: S. Strickland

Declarations of Pecuniary Interest under the “Municipal Conflict Of Interest Act”

None declared

Reports

COR-FSD-16-28, 2016 Year-End Audit Plan

Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer, introduced the staff from KPMG. He stated that the 2016 audit review is underway and the year-end audit work will be completed by the end of March. The 2016 Audited Financial Statements are scheduled to be presented to the Audit Committee in late April 2017. He noted the listing of Regional audits to be conducted in addition to the Consolidated Financial Statements. He responded to a Committee question regarding role of the Region vis a vis the audit conducted for the Sunnyside Community Support Service – year end settlement, which is prepared for the Ministry and the Local Health Integration Network (LHIN).

Peter Holling, Manager, Accounting and Supply Services, responded to a Committee question regarding any transition issues identified in moving from one auditor to another, noting that staff have found the transition to be without any issues and as anticipated.

Received for information

Presentations

Matthew Betik, Lead Audit Engagement Partner, KPMG, provided an overview of the report, Region of Waterloo 2016 Audit Service Plan; Courtney Cheal, Audit Manager, was also present from KPMG.

M. Betik highlighted the Executive Summary, specifically noting the level of independence and transparency of KPMG during the audit process. He spoke to the audit approach including fraud risk, post-employment benefits and the Obligatory Reserve Funds Revenue and Deferred Revenue. He stated that one of the other significant accounts of focus will be Government Transfers, specifically those related to the Region's Light Rapid Transit (LRT) project. He summarized how the materiality for the Region of Waterloo was calculated and the threshold used to accumulate misstatements identified during the audit.

The Committee discussed the purpose and impact of the compliance audits related to the LRT project. C. Dyer stated that the provincial and federal requirements for annual financial audits provide a greater level of detail than the financial statements.

The Committee agreed that there was no need to go into a closed session at this time.

Information/Correspondence

Council Enquiries and Requests for Information Tracking List – No items pending

Other Business

The Committee agreed that the next meeting date will be confirmed at a later date. Mike Murray, Chief Administrative Officer, suggested that the preferred option is for a meeting in late-April or early-May to coincide with a scheduled Council meeting date.

Adjourn

Moved by G. Lorentz

Seconded by T. Galloway

That the meeting adjourn at 1:35 p.m.

Carried

Committee Vice-Chair, K. Redman

Committee Clerk, S. Natolochny