



# Regional Hospital District Board Report Information

Approved for Board Consideration

A handwritten signature in black ink, appearing to read "Brian Reardon".

Brian Reardon, CAO

**To:** Regional Hospital District Board

**From:** Lyle Smith, Director of Financial Services

**Date:** January 13, 2022

**Subject:** Audit Planning Report for the year ended December 31, 2021

**Voting Entitlement:** *All Directors – Unweighted Corporate Vote – Simple Majority – HDA s.9*

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**Purpose:** To present the Regional Hospital District of Central Okanagan (RHDCO) Board's auditor, BDO Canada LLP (BDO), Audit Planning Report for the year ended December 31, 2021 for information.

## **Executive Summary:**

The RHDCO Board is legislatively required to appoint an auditor and have the auditor report to it on the annual financial statements. The RHDCO Board has appointed BDO as its auditor and BDO has submitted an Audit Planning Report to introduce its planned approach to the 2021 audit.

The Audit Planning Report provides highlights and key issues relevant to the 2021 audit. It also outlines the terms of BDO's engagement, its approach to the audit and significant risks it may have identified. Receiving the report for information provides the Board with an opportunity to ask questions that BDO can follow up in writing at a future meeting.

## **Recommendation(s):**

**THAT** the Regional Hospital District Board receive BDO's Audit Planning Report for the year ended December 31, 2021, for information.

Respectfully Submitted:

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Lyle Smith, Director of Financial Services

**Attachment(s):**

1. BDO's Audit Planning Report for the year ended December 31, 2021
2. Board Presentation pptx

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**Strategic Plan Alignment:**

Priorities: Sustainable Communities, Economic Development

Values: Transparency, Good Governance

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**Background:**

Section 17 of the *Hospital District Act* governs how the RHDCO engages an auditor for the RHDCO Board.

The enclosed planning report includes BDO's approach to the RHDCO's audit, the significant risks they have identified and the terms of their engagement. If the Board would like to ask any questions of BDO, staff will arrange for answers to be provided in writing at a future meeting.

Within the report important items have been highlighted such as:

- Audit timeline;
- Scope;
- Auditor's responsibilities; and
- Significant risks.

At the year-end meeting, BDO will provide the Board with a copy of their draft audit opinion and discuss the nature, extent, and results of their audit work. They will also report any significant internal control deficiencies identified during their audit and reconfirm their independence.

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**Considerations:**

Financial:

The cost of the 2021 Financial Audit is budgeted in the Financial Services departmental budget.

Legal/Statutory Authority:

Section 17 of the Hospital District Act governs how the RHDCO engages an auditor for the RHDCO Board.

Alternate Recommendation:

**THAT** the Board receive BDO's Audit Planning Report for the year ended December 31, 2021, for information;

**AND THAT** the Board requests written responses from BDO to address its questions be provided at a future Regional Hospital District board meeting.

Considerations not applicable:

Organizational/External:

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