



Regional Board Report

Information

Approved for Board Consideration

A handwritten signature in black ink that reads "Brian Reardon".

Brian Reardon, CAO

To: Regional 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 – LGA 208*

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

Executive Summary:

The RDCO Board is legislatively required to appoint an auditor and have the auditor report to it on the annual financial statements. The RDCO 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 Board receive BDO's Audit Planning Report for the year ended December 31, 2021, for information.

Respectfully Submitted:

A handwritten signature in blue ink that reads "Lyle Smith".

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

Strategic Plan Alignment:

Priorities: Sustainable Communities, Economic Development

Values: Transparency, Good Governance

Background:

Section 376 of the *Local Government Act* requires the RDCO hold a public meeting by June 30th each year for the purpose of presenting audited annual financial statements from the preceding year. In addition, Section 377 references Part 6, Division 2 of the *Community Charter* which applies to regional districts. Division 2 states an auditor must be appointed by the Board and the auditor must report to the Board on the annual financial statements of the regional district.

The enclosed planning report includes BDO's approach to the RDCO'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.

Considerations:

Financial:

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

Legal/Statutory Authority:

Section 167 of the Community Charter requires financial statements be created. Part 6, Division 2 of the Community Charter requires an auditor be appointed and report to the Board on the annual financial statements.

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 regular meeting.

Considerations not applicable:

- Organizational/External: