



Audit Status

We have completed the audit with the exception of:

- *Discussions with the Finance and Audit Committee*
- *Council's approval of the financial statements*
- *Obtaining the signed management representation letter*
- *Completing subsequent event review procedures*

We anticipate issuing a "clean" audit opinion.

We received the full cooperation of management throughout the audit.



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Areas of focus

- Management override

- Professional standards
- Required procedures
- Satisfied in our findings

- Areas of audit focus (no issues noted):

- Tangible capital assets and developer contributed capital assets
- Cash and investments
- Revenues and receivables management
- Salaries and benefits
- Expenses, procurement and payables
- COVID-19



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Audit response to financial reporting impacts of COVID-19

- We performed substantive analytical procedures over User Fee and Sale of Services revenues specifically related to:
 - Recreation programs revenue decline
 - Casino revenue decline
 - Vancouver Island Conference Centre revenue decline
- We worked with management to customize the wording of COVID related disclosures for the City's specific situation



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New auditing standard

Standard	Overview
CAS 540 Auditing Accounting Estimates and Related Disclosures	<p>The new standard was effective for the City's 2020 fiscal year-end.</p> <p>Impact on the audit:</p> <ul style="list-style-type: none"> - Performed granular risk assessment to identify estimates which may result in a material misstatement due to estimation uncertainty, subjectivity and/or complexity. - We concluded that the compensated absences and termination benefits estimate had a risk of material misstatement due to estimation uncertainty that was greater than remote. - In response we analyzed in detail each of the components of the estimate (method, data, assumptions). - Additional detailed written representations were required from management. - No issues were noted as a result of these additional procedures.



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Audit differences

One corrected audit disclosure difference:

- Decrease of \$330K to contractual rights disclosure to exclude contract liabilities based on variable future revenues.

Minor presentation and disclosure adjustments

No uncorrected adjustments



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Management letter

Update on previous year's other control deficiencies in internal controls over financial reporting related to:

- Expense report review, authorization and policies

No significant or other control deficiencies identified in the current year to bring to the Committee's attention



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Questions



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