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Audit team and independence

- The senior team members for the audit are:
 - Liette Bates-Eamer *Audit Engagement Partner*
 - Sarah Burden *Audit Senior Manager*
 - Lenora Lee *Quality Review Partner*
- Confirmation that the audit team and KPMG are independent
- Our fees are consistent with our audit proposal



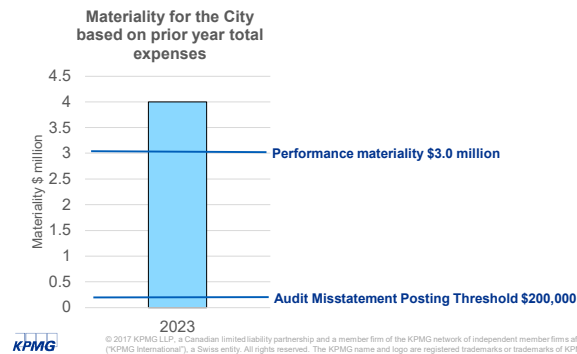
The icon shows three stylized human figures in blue, representing a team or group of people.

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Materiality

- Materiality is set during planning and determines the level of testing and the threshold for reporting identified errors.
- Calculation of materiality based on relevant metrics from the financial statements: *Total expenses*
- Materiality for the City = \$4.0 million (2.1% of total expenses)



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Audit approach

- **Significant risks:**
 - Professional auditing standards require us to include the fraud risk from management override of controls.
 - No other significant risks identified.



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Audit approach

- **Our approach to each ‘financial reporting process’ varies depending on the ‘inherent risk’ and the assessed ‘risk of material misstatement’.**
- ‘Inherent risk’ is the likelihood and magnitude of a risk of material misstatement occurring.
- Identified financial reporting processes and example procedures:

Financial reporting process	Example procedure
Capital assets and commitments	Agreeing additions to invoices
Salary and benefits	Review assumptions made in calculations of future benefits
Cash, investments and debt	Confirmation of balances with the bank
Revenue and deferred revenue	Understand differences between budget and actual revenue
Expenditures other than salaries and benefits	Test for any unrecorded expenses

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Current developments

Two new accounting standards for the year ending December 31, 2023:

- Asset Retirement Obligation
- Financial Instruments

Please refer to Pages 15 – 19 in our full report for details of upcoming Public Sector Accounting Standards changes



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