

THE CORPORATION OF THE  
**CITY OF WHITE ROCK**  
CORPORATE REPORT



**DATE:** January 15, 2024  
**TO:** Mayor and Council  
**FROM:** Candice Gartry, Director, Financial Services  
**SUBJECT:** 2023 Audit Planning Report and Presentation

---

**RECOMMENDATIONS**

THAT Council:

1. Receive the corporate report dated January 15, 2024, from the Director of Financial Services, titled '2023 Audit Planning Report and Presentation;' and
  2. Receive the verbal presentation by the KPMG Engagement Partner summarizing its audit planning process for the City of White Rock for the year ended December 31, 2023.
- 

**EXECUTIVE SUMMARY**

The purpose of this report is to introduce the City of White Rock's (the "City's") external financial auditor, KPMG LLP ("KPMG"), and present KPMG's 2023 Audit Planning Report. KPMG's Engagement Partner, Brandon Ma, CPA, CA, will be verbally presenting the report at this evening's Regular Council meeting.

**BACKGROUND**

Section 167 of the *Community Charter* states that:

- (2) *Subject to subsection (3), the financial statements must be prepared in accordance with generally accepted accounting principles for local governments.*
- (4) *By May 15 in each year, a municipality must submit to the inspector its audited financial statements for the preceding year and any other financial information requested by the inspector.*
- (5) *In addition to any requirement under subsection (4), the financial officer must compile and supply information on the financial affairs of the municipality requested by the inspector*

Further, Section 169 of the *Community Charter* states that:

- (1) *A council must appoint an auditor for the municipality.*
- (2) *A municipal auditor must be a person who is authorized to be the auditor of a company under section 205 of the Business Corporations Act.*

*(3) A municipal auditor has the power and duty to conduct the examinations necessary to prepare the reports required under this Division and, for these purposes, has the same authority in relation to the municipality as the auditor of a company under the Business Corporations Act.*

## **INTRODUCTION**

The purpose of this report is to introduce the City of White Rock's (the "City's") external financial auditor, KPMG LLP ("KPMG"), and present KPMG's 2023 Audit Planning Report. KPMG's Engagement Partner, Brandon Ma, CPA, CA, will be verbally presenting the report at this evening's Regular Council meeting.

The Audit Planning Report, attached as Appendix A, contains a summary of the planned scope and timing of the financial audit for the year ended December 31, 2023. Other than the impact of the new Public Sector Accounting Standard (PSAB) 3280 – Asset Retirement Obligations, there are no significant changes in operations or significant unusual transactions in the current year that will significantly impact the audit of the City's consolidated financial statements. The materiality threshold remains the same as the previous year, at \$1.3M. This means that if there are any individual or aggregate errors above \$1.3M, those errors would significantly impact the usability of the financial statements.

As noted on page nine of Attachment A, auditing standards require the auditor to make certain enquiries about the potential of fraud of those charged with Governance of the City, such as the Chief Administrative Officer and Chief Financial Officer/Director, Financial Services. Should Council have any additional information related to those questions Council can contact Brandon Ma, Engagement Partner.

The 2023 audited financial statements will be reported to Council for information prior to May 15, 2024, and KPMG will be made available should there be questions from Council pertaining to the year-end audit.

## **LEGAL IMPLICATIONS**

No specific legal implications to note. Audited financial statements must be submitted to (the provincial) inspector by May 15 for the preceding year in accordance with the *Community Charter*.

## **CONCLUSION**

Staff recommend that Council receive this report, Appendix A, and the verbal presentation made by the KPMG Engagement Partner.

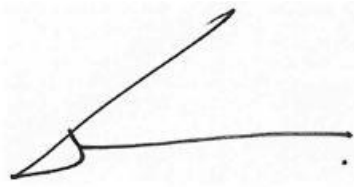
Respectfully submitted,



Candice Gartry, CPA, CGA  
Director, Financial Services

**Comments from the Chief Administrative Officer**

This corporate report is provided for information purposes.

A handwritten signature in black ink, consisting of a large, sweeping 'G' followed by a horizontal line that ends in a small dot.

Guillermo Ferrero  
Chief Administrative Officer

Appendix A: 2023 City of White Rock Audit Planning Report