



## BANFF HOUSING CORPORATION

**AMENDED AGENDA**  
**ORDER OF BUSINESS**  
**December 18, 2025**  
**CHRISTMAS BREAKFAST**

8:30-10:30  
Ted Langridge

<b>BHC Vision</b>	<b>BHC Mission</b>	<b>BHC Purpose</b>
To provide Banff residents with a place to call home while fostering engaged and connected communities.	To provide a wide range of below-market housing options for residents of Banff National Park that support the needs of our community within our built environment.	To manage the current and future homeownership and rental portfolios.

- 1.0 LAND ACKNOWLEDGEMENT
- 2.0 CALL TO ORDER
- 3.0 APPROVAL OF AGENDA
- 4.0 ADOPTION OF PREVIOUS MINUTES & PUBLIC ATTACHMENTS
- 5.0 NEW BUSINESS
- 6.0 ADMINISTRATIVE STAFF UPDATES
  - 6.1 Workplan/Strat plan -verbal update
  - 6.2 Wolf Street update-verbal update
- 7.0 CONFIDENTIAL ITEMS
  - 7.1 NBLC mapping and timeline
  - 7.2 Enforcement matter-verbal update
- 8.0 FINANCIAL
  - 8.1 RFD: Appoint Metrix Group LLP as BHC's financial auditors for fiscal year ended December 31, 2025, 2026, and 2027 with a possibility of extension for another two years (2028 and 2029).
- 9.0 NEXT MEETING
  - January 15, 2026
- 10.0 MOTION TO ADJOURN

**Agenda Distribution**

1 Administration, 4 Public Members, 2  
Town Council Members



**METRIX GROUP** LLP

CHARTERED PROFESSIONAL  
ACCOUNTANTS

## TOWN OF BANFF

### EXTERNAL FINANCIAL AUDIT SERVICES



**CLOSING DATE: October 1, 2025**

**Contact: Jeff Alliston, CPA, CA**

📍 : 12840 St. Albert Trail  
Edmonton, AB T5L 4H6

☎ : (780) 489-9606

✉ : [jalliston@metrixgroup.ca](mailto:jalliston@metrixgroup.ca)

October 1, 2025

Town of Banff  
110 Bear Street, Box 1260  
Banff, Alberta, T1L 1A1

**Attn: Cassandra Thomson**  
**Procurement Coordinator**

Dear Ms. Thomson:

**RE: Metrix Group LLP, Response to RFP for Audit Services 2025-2027**

Thank you for the opportunity to submit a proposal for the financial audit services for the Town of Banff (the “Town”) for the years ending December 31, 2025, to December 31, 2027, inclusive. Metrix Group LLP (“Metrix”) is encouraged by the potential to provide efficient, timely, and quality auditing services to the Town.

***Our Services***

Metrix provides quality professional services for a fair and reasonable price. Our services are designed to meet and exceed professional standards. We are committed to audit quality through our skilled and experienced team and internal quality controls. We will provide an audit based on the principles of timeliness and good judgment. Our risk-based audit approach, combined with the importance we place on observing and recommending ways to improve internal controls, will provide value-added services to the Town.

***Our Knowledge***

We are public sector accounting leaders and the auditor of choice for numerous local governments and related entities. We are skilled and experienced with audit engagements similar to that of the Town, and this ongoing industry experience has better equipped Metrix with the ability to execute the Town’s auditing service needs.

***Our Communication***

At Metrix, we pride ourselves on building and maintaining sound relationships with our clients through open lines of communication. This is achieved through staff synergy, low staff turnover, and an approachable enthusiastic team. We encourage ongoing client communication throughout the year to answer any questions or concerns that may arise. We provide proactive advice and consultation on matters pertaining to accounting best-practices that will assist the Town.

.../2

### *Proposal Submission Letter*

The undersigned, on behalf of Metrix Group LLP certifies that:

- (1) this information is made without previous understanding, agreement or connection with any person, firm, or corporation providing a response to the same document;
- (2) this information is in all respects fair and without collusion or fraud;
- (3) the person whose signature appears below is legally empowered to bind the firm in whose name the response is entered;
- (4) they have read the complete Request for Proposal and understand all provisions;
- (5) if officially proposed in response to any Request for Proposal - accepted by the Town - that the capabilities identified are guaranteed as written and will be implemented as stated; and
- (6) mistakes in writing of the submitted response will be the responsibility of Metrix Group LLP.

**AUDIT FIRM:** Metrix Group LLP

**CONTACT :** Jeff Alliston, CPA, CA Partner

**ADDRESS:** 12840 St. Albert Trail

**CITY/PROVINCE/POSTAL CODE:** Edmonton, AB T5L 4H6

**PHONE /FAX:** (780) 489-9606

**E-MAIL:** [jalliston@metrixgroup.ca](mailto:jalliston@metrixgroup.ca)

Thank you for the opportunity to demonstrate why Metrix is a great fit for the Town of Banff and your professional audit service needs. We welcome the opportunity to further discuss this proposal and answer any questions you may have.

Best regards,

**METRIX GROUP LLP**



Jeff Alliston, CPA, CA  
Partner

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## EXECUTIVE SUMMARY

The selection of an auditor is not a simple decision. Metrix is qualified and best suited for your audit service needs for the following reasons detailed more thoroughly throughout this proposal and highlighted below in summary.

### Audit Approach & Implementation

The audit approach contributes to continued improvement of efficiency and the reduction of risk. Our audits involve a series of established procedures designed to identify and evaluate the audit elements that present the greatest risk and / or opportunities to the Town.

Where possible we will apply data analytic techniques as part of our planned audit procedures in order to obtain audit evidence and, where possible, obtain greater insights into the Town's operation to provide greater insights for potential areas of improvement. Our teams are equipped to use Power BI, a data visualization & analytics software, as part of our audit procedures.

### The Metrix Advantage - Access to Industry Experience

As your auditor, we bring a high level of knowledge and reputable expertise. We have a strong understanding of the public sector and are attuned to the current best practices within the industry. Our commitment to the public sector has made Metrix the auditor of choice throughout Alberta, west-central Saskatchewan, Yukon, and the Northwest Territories.

We service over 8,000 clients, including over 80 public sector entities, 14 school divisions and private school clients with over 55 years of auditing experience. Our ongoing development of special expertise in public sector auditing has allowed us to expand our audit practice, deliver services efficiently and provide great value for our clients.

### Commitment to Communication

At Metrix, we believe that the most successful audit comes from a coordinated effort between the client and the auditor. Our audit methodology is built on a foundation of **year-round communication**, early identification of potential issues and **eliminating surprises**. We will return your phone calls and e-mails promptly and communicate with you proactively. Our team will work closely with management to provide information and advice on audit and accounting issues as well as on emerging industry and technical issues.

### Deadline Adherence

We are fully committed to meeting deadlines and ensuring timeliness throughout the audit process. Recognizing the critical importance of adhering to schedules, we prioritize efficient planning, proactive communication, and diligent execution to delivering results promptly and accurately. Our dedication to timeliness aligns with the professional standards and emphasizes our commitment to delivering high-quality work within specified timeframes.

### **Additional Advisory Services**

Metrix provides a wide range of additional services, such as:

- Policy review, update, and assessment of whether an entity is operating in accordance with their current policy.
- Assisting in the implementation of new public sector accounting standards, such as Asset Retirement Obligations.
- Additional assessment over internal controls and processes.

Please refer to **Appendix A** for more detailed information of these services.



## FIRM PROFILE

From our firms' Edmonton inception in 1962, we have built a culture and reputation based on **integrity, clarity, and hard work**. We pride ourselves on the work we do and the experience we have accumulated resulting in our leadership in the public sector, not-for-profit organizations, and school divisions.

We are proud to be an Alberta based firm with over 55 years of experience leading audit, assurance and advice in the public sector. Over this time, we have developed a number of niche audit practices serving over 8,000 clients, including a wide variety of private companies, individuals and corporate groups. Metrix is proud to add value for 150+ not-for-profit organizations, over **80 municipalities and related government entities**, and 14 school divisions and private school entities across Alberta.

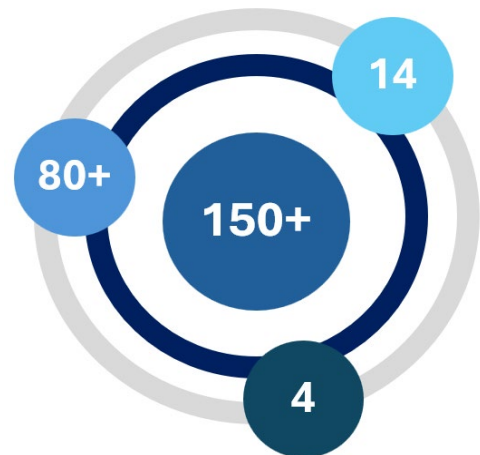
Our dedication to providing our highest quality of work, in a personalized and timely manner has allowed us to cultivate close-knit relationships with our clients and the opportunity to expand our business. Our current ten partners and team of professionals provide a wide range of audit, tax, financial and consulting services to both the private and public sectors. Please see **Appendix A** for a listing of value-add services and **Appendix B** for a complete listing of services provided by Metrix.

Metrix has also been an agent of the Auditor General of Alberta for many years.

### Firm Qualification

Metrix is qualified to practice in Alberta, Saskatchewan, British Columbia, Yukon, and Northwest Territories, and is registered with the respective Chartered Professional Accountants Associations. Our Firm's most recent practice review was conducted in September of 2024. Our Firm is in compliance with all practice standards and is a proud qualified education provider for CPA articling students.

Metrix is in good standing with CPA Alberta.



*150+ Not-for-profits | 80+ Municipalities & related government entities | 14 School Divisions & Private Schools | 4 Credit Unions*



## UNDERSTANDING OF REQUIREMENTS

Metrix has an understanding of the services requested by the Town and will deliver the best quality auditing and advisory services.

The proposed professional auditing fees and timelines include the services requested as follows:

- Annual audit of the Town's non-consolidated financial statements in accordance with Canadian Public Sector Accounting Standards;
- Annual audit of the Town's consolidated financial statements (including Banff Housing Corporation and Public Library);
- Annual review of the Town's Family and Community Support Services ("FCSS") program;
- Annual examination and audit of the Municipal Financial Information Return ("FIR");
- Tri-Annual audit of the Town's Local Authorities Pension Plan ("LAPP") program;
- Annual review and audit engagements as required for capital grant reporting;
- Annual audit of the Banff Housing Corporation's financial statements;
- Preparation of annual income tax return for Banff Housing Corporation; and
- Annual review of the Banff Public Library's financial statements.

The audit services provided will meet the requirements under the Municipal Government Act as well as the professional requirements as established by Canadian auditing standards.

Metrix also understands that the following criterion are required of the successful proponent:

- Preparation and presentation of our audit plan to Council, Housing Board and Library Board;
- Preparation and presentation of audit findings report to Council, Housing Board and Library Board including the audited financial statements;
- Attendance at Council and Board meetings as needed;
- Provision of a management letter including written recommendations, which address any findings, observations, opinions or comments relating to internal controls, financial systems, compliance or other matters that come to our attention during the audit; and
- Informal advice and consultation throughout this engagement as-needed.

The above services are to be provided for a period of three (3) years, for the years ended December 31, 2025 through December 31, 2027 with the opportunity to extend an additional one (1) year (December 31, 2028) or two (2) years (December 31, 2029), should the Town approve the extension.

We welcome the opportunity to serve the Town as external auditors.

# ENGAGEMENT TEAM

## Team Structure, Experience & Roles

Our commitment to the Town is evidenced by the caliber of our team. Our service to the Town will be built upon the personal attention and the direct contact of partners and senior staff. At Metrix, we emphasize manager and senior staff involvement in the completion and supervision of our audit engagements. This creates audit efficiencies while ensuring our junior staff is adequately supervised, reducing the amount of follow-up, and providing a quick turn-around.

We have included a brief summary of each of the key members of our proposed team below.



**Jeff Alliston, CPA, CA**  
**Engagement Partner**

Jeff is a partner in Metrix's audit practice, with over 15 years of experience specializing in public sector and not-for-profit entities. He is currently the engagement partner for three school divisions, one private school and 40+ local governments and related entities and is also the quality control partner for other municipal entities within the Firm.

Jeff will have the overall responsibility of ensuring Metrix services to the Town and will be accountable for the planning and direction of the audit. He will perform extensive quality control reviews of the audit team's findings. Jeff will also be available throughout the audit process and will attend meetings with the Town's Council and management.

Jeff is qualified to practice as a CPA in Alberta.



**Phil Dirks, CPA, CA**  
**Quality Control Partner**

Phil is a partner in Metrix's audit practice and one of the Firm's public sector and not-for-profit specialists. Phil has over 30 years of experience in public practice and spends 75% of his time servicing audit clients. Phil is currently the engagement partner for over 70 audit clients including 25 local governments and related entities. Phil has over 25 years of government auditing experience.

Phil will be involved in the planning and quality control review as required by our Firm's quality assurance procedures. Phil will be available to Jeff to provide support and expertise as needed.

Phil is qualified to practice as a CPA in Alberta.



**Danny On, CPA**  
**Senior Manager**

Danny is a manager in Metrix's audit practice, specializing in public sector and not-for-profit entities. He holds over eight years of professional experience providing assurance services to various entities ranging from publicly traded and large privately held for-profit entities to not-for-profit organizations and large complex municipalities. Danny provides his clients with strong and reliable direction, helping to provide clarity with complex financial reporting and business issues.

Danny will be responsible for planning, executing, and reporting the audit. Danny is qualified to practice as a CPA in Alberta.



**Dayle Weslosky, CPA, MBA**  
**Manager**

Dayle is a manager in Metrix's audit practice, specializing in public sector and not-for-profit entities. She holds over five years of professional experience providing assurance services to various entities ranging from large complex municipalities to school divisions, credit unions and not-for-profit organizations.

Dayle will be responsible for planning, executing, and reporting the audit. Dayle is qualified to practice as a CPA in Alberta.

### Staff Accountants

Staff accountants will be assigned to this engagement to help in the completion of our services. Our staff accountants are made up of students hired by Metrix over the past years. These team members are supervised and guided by more experienced staff assigned to the engagement and will remain consistent with the Town's audit. Our auditors are given internal training in relation to municipalities during our annual municipal audit training course administered by our partners and senior managers. We expect to utilize two to three staff accountants on the audit engagements.

### Engagement Team Continuity

We strongly believe the continuity of audit staff is important to a valuable and efficient audit engagement. Our staff continuity fosters a more effective working relationship between our team and the Town's staff. In the unlikely event that a reassignment of staff is required, rest assured that the replacement will have substantially the same or better qualifications or experience. Given the size of our firm and the fact that almost all of our staff are involved in public sector auditing, we are confident with our replacements if required.

## Resumes

Please find below resumes for the engagement team.

### Jeff Alliston CPA, CA – Engagement Partner

#### Education

- **Chartered Accountant designation**  
2011
- **Bachelor of Commerce, University of Alberta**  
2008

#### Experience

- **Metrix Group LLP**  
2008 – Present
  - o Areas of focus include:
    - Local governments and related entities
    - Not-for-profit organizations
    - Credit unions
    - School divisions and private schools
    - Cooperatives
    - Privately owned entities
- **Volunteer Experience:**
  - o Government Finance Officers of Alberta (GFOA) – Emerging Issues Task Force Committee Member | 2013 – Present
  - o Literacy Without Borders | 2018 – Present
  - o Canadian Caner Society – Leadership Committee | 2013 – 2017
  - o Ronald McDonald House – Home for Dinner Program, Volunteer

For Jeff's experience with engagements that are similar to the Town, please refer to **Appendix C** – Relevant Experience.

## Phil Dirks, CPA, CA – Quality Control Partner

### Education

- **Chartered Accountant designation**  
1996
- **Bachelor of Commerce (with distinction), University of Saskatchewan**  
1992

### Experience

- **Metrix Group LLP**  
1997 – Present
  - o Areas of focus include:
    - Local governments and related entities
    - Not-for-profit organizations
    - Credit unions
    - School divisions and private schools
    - Cooperatives
    - Privately owned entities
- **KPMG (Peat Marwick Thorne)**  
1992 – 1996

### Financial Management and Leadership

- Increased the frequency of formal financial reporting from annually to monthly, and implemented the quarterly presentation of PSAS compliant financial statements to Council.
- Improved the availability of financial information to Council and residents through the use of an online reporting portal.
- Support management as a business partner providing balanced financial advice and direction.
- Enhanced business decision making by improving access to financial information and participating in a number of working groups for organizational initiatives such as project management and asset management implementations.

### Professional Services

- Instructor - University of Alberta (2016-2019)
- Develop and deliver course material for Financial Management in the Public Sector – an elective in the Bachelor of Commerce undergraduate and Masters of Business Administration programs
  - Reviewer – Practical Experience Verification Reports – CPA Alberta (July 2018-present)
  - Online Module Facilitator – Chartered Accountants School of Business (2011-2013)
- Module Exam Reviewer – Chartered Accountants School of Business (2009-2011)

For Phil's experience with engagements that are similar to the Town's, please refer to **Appendix C – Relevant Experience.**

## Danny On, CPA – Senior Manager

### Education

- **Chartered Professional Accountant designation**  
2017
- **Bachelor of Commerce, University of Alberta**  
2014
- **Bachelor of Education, University of Alberta**  
2011

### Experience

- **Metrix Group LLP**  
Senior Manager  
*Jan. 2019 – Present*
  - o Areas of focus include:
    - Local governments and related entities
    - Not-for-profit organizations
    - Credit unions
    - School divisions and private schools
    - Cooperatives
    - Privately owned entities
- **Wheaton Group**  
Internal Auditor  
*Oct. 2017 – Dec. 2018*
  - o Duties include:
    - Assist in the development and implementation of the internal audit strategic plan
    - Completing engagements in alignment in internal audit guidelines
    - Preparing findings report and providing recommendations
    - Researching emerging issues and best practices
    - Oversight specializing in a Schedule I financial institution
- **KPMG LLP**  
Staff / Senior Accountant  
*Oct. 2014 – Sept. 2017*
  - o Areas of focus include:
    - Local governments and related entities
    - Not-for-profit organizations
    - Privately owned entities
    - Publicly traded entities

## Dayle Weslosky, CPA, MBA – Manager

### Education

- **Chartered Professional Accountant designation**  
2022
- **Master of Business Administration, Cumberland University**  
2018
- **Bachelor of Accounting and Business/Management, Cumberland University**  
2018

### Experience

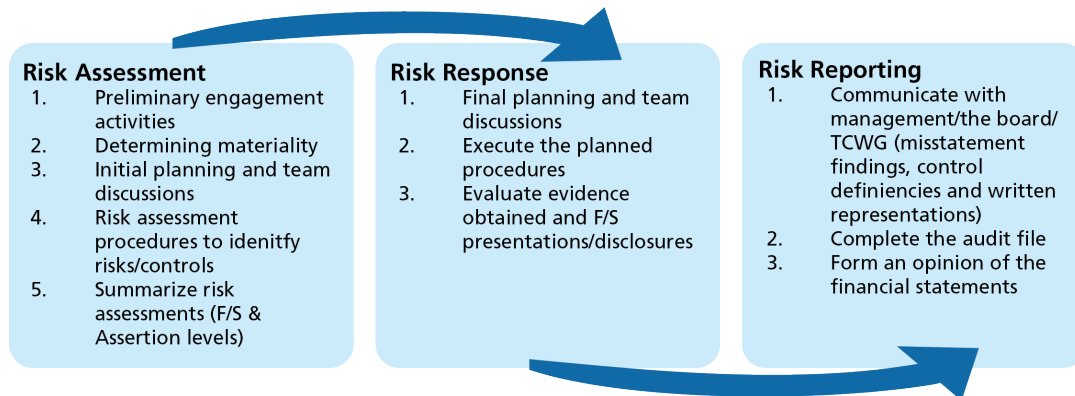
- **Metrix Group LLP**  
Manager  
*Sep. 2018 – Present*
  - o Areas of focus include:
    - Local governments and related entities
    - Not-for-profit organizations
    - School divisions and private schools
    - Cooperatives
    - Privately owned entities



# AUDIT WORK

## Audit Approach & Implementation

Our audit procedures focus on the highest-risk areas, based on factors inherent in the Town's operations, regulations and current economic conditions. Materiality levels are developed to commensurate with the risks of the financial statement users, the level of external reporting involved, and our judgment related to the extent of audit risk.



## Assessment of Risk

A risk assessment is performed to determine the overall financial statement risk and identify areas of the Town's account balances where there is a particular risk of misstatement to the financial statements. Our assessment of risk is an important factor in planning the audit and affects decisions such as audit strategy, the nature of the audit procedures, and the selection of audit samples. Our assessment is based on a variety of factors including our knowledge of the Town's operations, trends and developments impacting municipalities, and significant inherent risks associated to financial statement accounts.



## Control Environment

Under Canadian auditing standards, we are required to obtain an understanding of the Town's internal controls for financial reporting. The purpose of this understanding is to assist in designing tests of control that are effective and can be relied upon. Regardless of our decision to select a substantive or combined audit approach, a walkthrough of the Town's internal controls and processes will be performed to comply with Canadian Auditing Standards.

## Usage of Technology

### Data Analytics & Computer Assisted Audit Techniques (CAATs)

With over 55 years of audit experience, Metrix has acknowledged that although the fundamental principles of auditing have not changed over the years, our audit procedures and techniques have evolved as an adaptive response to our ever-changing technological environment. When considering efficiency, auditing sampling methodologies, substantive analytical and detailed testing would be difficult without the use of CAATs. More importantly, the use of CAATs has increased our confidence levels with the ability to reduce the reliance on conventional vouching procedures. We extrapolate unusual and large amounts from the data and create alternative audit procedures suitable for further analysis. Our years of experience, breadth of clients and willingness to stay current with industry best practices has allowed our Firm to create many CAATs which we are confident will be applicable to the Town of Banff.

Where possible we will apply data analytic techniques as part of our planned audit procedures in order to obtain audit evidence and, where possible, obtain greater insights into the Town's operation to provide greater insights for potential areas of improvement. Our teams are equipped to use Power BI, a data analytics software, as part of our audit procedures.

### CaseWare Cloud – PBC Request

In order to create greater efficiencies, each client is provided with a client portal hosted on a cloud site. All of our engagement requests will be centralized in the portal site, CaseWare Cloud – PBC Request ("PBC Request"). PBC Request allows our teams to send requests and receive support in an efficient and secure manner, streamlining the audit process.

In rare instances where documents cannot be uploaded into PBC Request, we continue to offer eCourier, our file transfer protocol via our website. eCourier provides a secure method of transferring files.

## Client Deliverables

### Audit Findings Report

Concurrent with issuing our audit opinion, we will provide Council with a concise summary of any significant control weaknesses, inconsistent accounting practices, areas of significant judgment, or any other audit and accounting issues that come to our attention during the course of the audit.

Our draft Audit Findings Report will be reviewed with management to ensure it is factually correct and does not include insignificant matters. The letters will then be completed, taking into consideration any suggestions provided by management. The final letter will be discussed with Council.

### Management Letter

The audit programs will be designed to permit the required reports to be prepared. In addition, a management letter will be issued that will include any other matters that will assist management in fulfilling their responsibilities of safeguarding assets and maintaining a reliable and efficient accounting system.

## Risk Management Strategy

At Metrix, we also adopt a risk-based approach in implementing our controls. Three risks related to our audit practice include inappropriate audit opinion issued, extraordinary circumstances presenting unusual accounting challenges, and infrastructure operation.

### Audit Quality

The purpose of an audit is to enhance the degree of confidence of intended users in the financial statements. This is achieved by the expression of an opinion by the auditor on whether the financial statements are presented fairly, in all material respects the financial position of the entity. To ensure that we perform the appropriate procedures and provide an appropriate audit opinion, larger engagements include an engagement quality control partner who will review the audit plan and procedures performed to ensure that the appropriate risks have been captured by our audit procedures. In addition, the engagement quality control partner is responsible for reviewing the file as well to ensure that the procedures have been performed with due care.

Further, our quality control system is reviewed annually to monitor compliance with firm policies. We have also hired an external quality control monitor, FocusHGK LLP, to perform an independent review of a sample of completed assurance files for each partner to confirm that our files meet professional standards, as well as our own internal quality control procedures. FocusHGK is a specialized firm that focuses exclusively on assisting accounting firms to comply with professional standards. The partners in FocusHGK LLP are also the co-authors of CPA Canada's Professional Engagement Manual and Quality Control Manuals.

### Extraordinary Circumstances

Despite our extensive experience in the public sector industry, there may be extraordinary circumstances that present in the Town's operations that require specialized knowledge. In addition to our engagement partner and the engagement quality control partners involved in the audit, our Firm has three other audit partners who have over 55 years of experience auditing the municipal sector in Alberta. Our partners' knowledge and experience provide a wealth of knowledge that is accessible to the Town.

In addition to our in-house experience, we also consult with FocusROI, a third-party company that is able to provide guidance on financial reporting matters and assurance methodologies. FocusROI is composed of accounting professionals who have spent years in senior management positions with various national accounting firms. If consultation is required with FocusROI, this will be completed internally with no additional cost to the Town.

### Infrastructure Operations

We have an in-house server that hosts all client engagements. Our servers are backed up multiple times a day and with more intensive backups taken weekly. We have a dedicated IT team that is able to respond in quick demand as required for any IT related issue.

## **IT Security**

Computerization has played an important role in Metrix's growth by providing efficiencies without sacrificing effectiveness in executing our engagements. Data security is a high priority for our Firm. As our client, you can rest assured that your information is secure and to be regarded with the utmost confidentiality and protection. We achieve this through our due diligence of routine maintenance of server and desktop backups between offices, continuous monitoring of suspicious viruses by our IT support team, routine desktop, and server maintenance. In addition, as part of our service made available to the Town, a secure client portal is available when transferring documents during our audit engagement. It is our commitment to continuously search for and adopt new and better ways to serve our clients.

## **Ownership of Documents**

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the audit are the property of our Firm, constitute our confidential information and will be retained by us in accordance with our Firm's policies and procedures. In accordance with FOIP 40(1)(g), working papers and files will be made available upon request.

# AUDIT PLAN

## Audit Focus

Based on our preliminary understanding of the Town, we would adopt a substantive audit approach.

From a preliminary analysis based on the 2024 financial statements, we expect our areas of audit focus to include:

Management Override of Controls	
Risk factors	Our response
<ul style="list-style-type: none"> <li>Under Canadian auditing standards, there is a presumed fraud risk through management override of controls. This risk cannot be rebutted.</li> </ul>	<ul style="list-style-type: none"> <li>We will obtain an understanding of the financial reporting process and controls implemented.</li> <li>We will apply data analytic techniques to identify a sample of entries and assess the business rationale of entries selected.</li> </ul>
Revenue recognition (including government transfers and deferred revenue)	
Risk factors	Our response
<ul style="list-style-type: none"> <li>There is risk of premature revenue recognition of funding amounts received with external restrictions attached to them (e.g. Government of Alberta, federal government, ...etc.).</li> </ul>	<ul style="list-style-type: none"> <li>We will obtain an understanding of the processes and controls in place regarding revenues received.</li> <li>We will review the recognition of amounts subject to external restrictions to ensure they are correctly recognized.</li> <li>We will examine related agreements and other source documentation containing guidance for the purpose and use of the restricted funds.</li> <li>Where possible, we will coordinate with procedures performed over accounts receivable, tangible capital assets, and deferred revenue.</li> </ul>
Sales and user fees	
Risk factors	Our response
<ul style="list-style-type: none"> <li>Sales and user fees are generally subject to a high volume of transactions.</li> </ul>	<ul style="list-style-type: none"> <li>We will perform substantive analytical procedures including variance analysis.</li> <li>Using statistical sampling techniques, we will identify revenue transactions to perform additional test of details, if required.</li> </ul>

## Audit Focus (continued)

### Salaries, wages and benefits (including employee benefit obligations)

Risk factors	Our response
<ul style="list-style-type: none"> <li>There is an inherent fraud risk related to salaries, wages and benefits.</li> <li>Moreover, there exists the risk that employees are paid at a rate inconsistent with their employment contract.</li> </ul>	<ul style="list-style-type: none"> <li>We will obtain an understanding of the controls and processes in place over human resourcing activities, including payroll.</li> <li>Where possible, we will perform tests of controls to reduce the substantive work required.</li> <li>We will perform substantive analytical procedures including variance analysis.</li> <li>Using statistical sampling techniques, we will identify payroll transactions to perform additional test of details.</li> <li>We will assess the reasonability of accrued employee benefits recorded at year-end.</li> <li>Where possible, we will leverage efficiencies for the LAPP compliance assurance engagement.</li> </ul>

### Operating expenses (including accounts payable and accrued liabilities)

Risk factors	Our response
<ul style="list-style-type: none"> <li>Completeness, accuracy, and the occurrence of operating expenses is considered to be a risk due to the inherent nature of expenses.</li> </ul>	<ul style="list-style-type: none"> <li>We will obtain an understanding of the controls and processes in place over purchasing / procurement activities and vendor payments.</li> <li>Where possible, we will perform tests of controls to reduce the substantive work required.</li> <li>We will perform a search for unrecorded liabilities.</li> <li>Using statistical sampling, we will select a sample of invoices to test, agreeing the amounts recorded to supporting documentation.</li> <li>Where required, we will perform additional substantive testing procedures.</li> </ul>

### Cash and cash equivalents and Investments (including investment income)

Risk factors	Our response
<ul style="list-style-type: none"> <li>Given the nature of cash and cash equivalents, the amounts recorded are always subject to a higher level of public scrutiny.</li> <li>Cash equivalents are incorrectly classified.</li> </ul>	<ul style="list-style-type: none"> <li>We will send external confirmations for significant balances as at year-end.</li> <li>We will perform cut-off and completeness procedures over cash and investments.</li> <li>We will test the mathematical accuracy of the bank reconciliation.</li> <li>We will assess the appropriateness of financial instruments recorded as investments.</li> <li>We will test the reconciling items recorded in the bank reconciliation.</li> <li>We will recalculate expected accrued interest income and compare it to the actual recorded.</li> </ul>

## Audit Focus (continued)

### Trade and other receivables

Risk factors	Our response
<ul style="list-style-type: none"> <li>There exists the risk that the amounts outstanding will not be collectible.</li> <li>There exists the risk that receivables have been overstated.               <ul style="list-style-type: none"> <li>There exists the risk that receivables outstanding at year-end have not been accrued for.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>We will obtain an understanding regarding the Town's policies regarding collections and provisions.</li> <li>We will review management's assessment of the collectability of receivable balances outstanding at year-end, including assessing subsequent receipts after year-end.</li> <li>We will perform additional substantive procedures to obtain appropriate audit evidence.</li> <li>We will perform a search for unrecorded receivables to assess the completeness of receivables outstanding at year-end.</li> <li>We will coordinate with our work performed over revenues and deferred revenue.</li> </ul>

### Tangible capital assets ("TCA") & Asset retirement obligations ("ARO")

Risk factors	Our response
<ul style="list-style-type: none"> <li>The acquisition and disposal of TCA will have numerous effects on other accounts, including Receivables, Deferred contributions, Government transfers and Amortization.</li> <li>There is the risk that TCA is expensed as part of repair and maintenance activities rather than capitalized.</li> <li>AROs are a significant estimate, subject to management bias.</li> </ul>	<ul style="list-style-type: none"> <li>We will perform procedures over significant capital additions, including work in progress transfers, and disposals.</li> <li>We will perform procedures over repair and maintenance expense to assess the completeness of TCA.</li> <li>We will re-calculate amortization expense, and the gain / loss from the disposal of TCA, if any.</li> <li>We will assess the value of contributed assets received to determine if the asset and in respective revenue recorded are appropriate.</li> <li>We will assess the reasonability of inputs used in calculating the ARO estimates.</li> <li>We will verify the mathematical accuracy of the ARO liability calculated.</li> </ul>

### Accumulated surplus (unrestricted, restricted and equity in TCA)

Risk factors	Our response
<ul style="list-style-type: none"> <li>Reserves have been inappropriately spent.</li> <li>Reserve balances may not have been updated to reflect approved transfers, expenditures, or additions during the year.</li> </ul>	<ul style="list-style-type: none"> <li>We will assess reserve transfers recorded to the budget to assess the completeness of the transfers.</li> <li>We will determine if significant transfers / expenditures have been appropriately authorized.</li> <li>We will assess the accuracy and completeness of reserve continuity schedules, ensuring that opening balances, additions, uses, and closing balances reconcile with the general ledger and supporting documentation.</li> </ul>



## Potential Issues & Solutions

While we don't expect audit problems or delays to arise, audit problems that have previously occurred with other municipalities and the solutions we have used in the past to overcome these issues include:

- **Significant delay in audit commencement and response.**
  - Metrix will communicate with senior management regarding timing issues and will reach out via email and telephone to ensure that the Town is aware of the audit commencement delays. Metrix will also reach out before the year-end audit is about to commence to ensure that the Town's records are ready and complete.
- **Significant audit adjustments required to prepare the financial statements.**
  - Metrix will review any required audit adjustments with management prior to making them and will inquire about the quality and completeness of the trial balance before the audit commences.
- **Changes in required procedures (e.g. change in LAPP procedures).**
  - Metrix will inform management of any known upcoming changes before the procedures start and will provide a quote if the changes fall outside of the scope of the audit.
- **Additional out-of-scope engagements (e.g. additional grant reporting engagement, policy compliance).**
  - This would be completed on an "as needed" basis. Metrix will be upfront with a quote for services before the work commences. *See Appendix A – Consulting and Advisory Services.*
- **Assistance in reconciling financial records (e.g. balance of accumulated surplus / reconciling sub-ledger balances).**
  - Metrix will inquire with management regarding the trial balance and the sub-ledgers before year-end occurs, to help ensure that any reconciliations are completed before the Town completes their year-end process and procedures. Assistance in preparing reconciliations and working papers is considered out of scope for this proposal. This would be completed on an "as needed" basis. Metrix will be upfront with a quote for services before the work commences. *See Appendix A – Consulting and Advisory Services.*
- **Assistance with accounting standard implementation.**
  - Metrix will inform management of any known upcoming changes before the procedures start. Metrix details any new and upcoming accounting standard changes in the audit planning report and audit findings report so management and those charged with governance are aware of changes.

If by chance any unforeseen issues arise, we will consult with management as to the extent of additional services that are required to correct the problem. We do not bill for minor changes to our audit approach.

# AUDIT TIMELINE

We anticipate the following audit schedule for the 2025 audit – all of which would be subject to the Town’s review and amendment as appropriate – to ensure the completion of our work to meet the reporting deadlines set by the Town.



Planning and Interim (Town, Housing Corporation, & Library)	Deliverables and Dates
<ul style="list-style-type: none"> <li>Begin initial risk assessments.</li> <li>Planning audit strategy and prepping file.</li> <li>Communicating with client &amp; the Board.</li> <li>Perform inquiries with management.</li> <li>Obtain understanding of control environment and performing control walkthroughs.</li> <li>Control and substantive testing of expenses and revenues.</li> </ul>	<ul style="list-style-type: none"> <li><b>Before October 31<sup>st</sup></b> – Meeting with staff to finalize key dates, timetable, responsibilities and deliverables for audit.</li> <li><b>November</b> - Interim audit fieldwork (<i>interim fieldwork dates to be determined after discussions with management</i>)</li> <li><b>November/December</b> – meeting with management to discuss interim findings</li> <li><b>January</b> – Sending year-end request listings to management</li> </ul>
Year-end fieldwork	Deliverables and Dates
<b>Town fieldwork</b> <ul style="list-style-type: none"> <li>Statement of financial position audit work</li> <li>Statement of operations audit work</li> <li>Inquiring with management about any issues identified, etc.</li> </ul>	<ul style="list-style-type: none"> <li><b>February</b>- Meeting with management to discuss year-end requests.</li> <li><b>Early March</b> –Begin year-end fieldwork (<i>fieldwork dates to be determined after discussions with management</i>)</li> <li><b>Late March</b> – Meeting with management to discuss audit progress</li> </ul>
<b>Banff Housing Corporation</b> <ul style="list-style-type: none"> <li>Audit of financial statements</li> <li>Preparation of income tax return</li> </ul>	<ul style="list-style-type: none"> <li><b>March</b> – Year-end fieldwork</li> <li><b>March/April</b> – Draft Financial Statements</li> </ul>
<b>Banff Public Library</b> <ul style="list-style-type: none"> <li>Review of financial statements</li> </ul>	<ul style="list-style-type: none"> <li><b>March</b> – Year-end fieldwork</li> <li><b>March/April</b> – Draft Financial Statements</li> </ul>
<b>Family and Community Support Services (“FCSS”)</b> <ul style="list-style-type: none"> <li>Review of FCSS annual report</li> </ul>	<ul style="list-style-type: none"> <li><b>March/April</b> – FCSS fieldwork and review of annual report</li> </ul>
<b>Financial Information Return (“FIR”)</b> <ul style="list-style-type: none"> <li>Review of financial information return and preparation of audit report</li> </ul>	<ul style="list-style-type: none"> <li><b>April</b> – Financial information return review</li> </ul>

Reporting	Deliverables and Dates
<b>Town Financial Statements, Audit Report and Audit Findings</b> <ul style="list-style-type: none"> <li>Draft financial statements provided to management for review.</li> <li>Communicating with management about audit findings report (including management letter) and management response.</li> <li>Completion of audit findings report.</li> <li>Presenting the draft financial statements and audit findings report to Council.</li> </ul>	<ul style="list-style-type: none"> <li><b>Early April</b> – Draft financial statements, audit findings report, and management letter provided to management for review.</li> <li><b>Prior to April 25<sup>th</sup></b> – Presentation of draft financial statement and audit findings report to the Council for approval</li> <li><b>Prior to April 30<sup>th</sup></b> – Final audited financial statements and audit package (including audit findings report and management letter)</li> </ul>
<b>Financial Information Return (“FIR”)</b> <ul style="list-style-type: none"> <li>Certification and Submission of FIR</li> </ul>	<ul style="list-style-type: none"> <li><b>Prior to May 1<sup>st</sup></b> – Certification and Submission of FIR</li> </ul>
<b>Banff Housing Corporation</b> <ul style="list-style-type: none"> <li>Draft financial statements provided to management for review.</li> <li>Communicating with management about audit findings report (including management letter) and management response.</li> <li>Completion of audit findings report.</li> <li>Presenting the draft financial statements and audit findings report to the Board.</li> </ul>	<ul style="list-style-type: none"> <li><b>Early April</b> – Draft financial statements, audit findings report, and management letter provided to management for review.</li> <li><b>Prior to April 15<sup>th</sup></b> – Presentation of draft financial statement and audit findings report to the Council for approval</li> <li><b>Prior to April 30<sup>th</sup></b> – Final audited financial statements and audit package (including audit findings report and management letter)</li> </ul>
<b>Banff Public Library</b> <ul style="list-style-type: none"> <li>Draft financial statements provided to management for review.</li> <li>Communicating with management about audit findings report (including management letter) and management response.</li> <li>Completion of audit findings report.</li> <li>Presenting the draft financial statements and audit findings report to the Board.</li> </ul>	<ul style="list-style-type: none"> <li><b>Early April</b> – Draft financial statements, audit findings report, and management letter provided to management for review.</li> <li><b>Prior to April 15<sup>th</sup></b> – Presentation of draft financial statement and audit findings report to the Council for approval</li> <li><b>Prior to April 30<sup>th</sup></b> – Final audited financial statements and audit package (including audit findings report and management letter)</li> </ul>
<b>Family and Community Support Services (“FCSS”)</b> <ul style="list-style-type: none"> <li>Draft financial statements provided to management for review.</li> <li>Communicating with management about audit findings report (including management letter) and management response.</li> <li>Completion of audit findings report</li> <li>Presenting the draft financial statements and audit findings report to the Board.</li> </ul>	<ul style="list-style-type: none"> <li><b>Early April</b> – Draft financial statements, audit findings report, and management letter provided to management for review.</li> <li><b>Prior to April 15<sup>th</sup></b> – Presentation of draft financial statement and audit findings report to the Council for approval</li> <li><b>Prior to April 30<sup>th</sup></b> – Final audited financial statements and audit package (including audit findings report and management letter)</li> </ul>
Debrief	Deliverables and Dates
<ul style="list-style-type: none"> <li>Discussion with management regarding matters impacting future audits, if any.</li> </ul>	<ul style="list-style-type: none"> <li><b>Early May</b> – Debrief Meeting (if necessary)</li> </ul>
LAPP	Deliverables and Dates
<ul style="list-style-type: none"> <li>Audit of LAPP compliance report</li> </ul>	<ul style="list-style-type: none"> <li><b>Mid June</b> – Draft report provided to management for review and review of findings (if any)</li> <li><b>Prior to June 30<sup>th</sup></b> – Submission of LAPP compliance report</li> </ul>

## Required Support from Town Resources

Metrix understands that the Town has other responsibilities and duties to attend to during the audit. As such, we strive to be as efficient as possible when requesting information or inquiring with management. We do request that the Town have all applicable finance and payroll/HR staff on-site and available for the year-end audit to maximize the effectiveness of our time on-site.

We estimate we will require Town resources for the following stages of the audit:

<b>Audit Stage</b>	<b>Tasks</b>	<b>Estimated Time</b>
<b>Planning</b>	<ul style="list-style-type: none"> <li>• Inquiries with senior management &amp; information technology staff members.</li> <li>• Inquiries with Council</li> <li>• Discussing interim and year-end audit dates and logistics with senior management.</li> </ul>	Estimated 4 hours.
<b>Interim Audit</b>	<ul style="list-style-type: none"> <li>• Availability of staff members from payroll, payables, procurement, receivables &amp; cash, and financial reporting &amp; budgeting so we can obtain an understanding of the controls in place at the Town.</li> <li>• Staff members to pull expense and revenue samples for interim testing.</li> <li>• Payroll and HR team members to assist pulling payroll samples for interim testing.</li> </ul>	Estimated 30 hours, as well as 5 hours of follow-up questions and additional requests.
<b>Year-end Requests</b>	<ul style="list-style-type: none"> <li>• Metrix sends the initial year-end requests to the Town well ahead of the start-date for the audit. This allows plenty of time for the Town to understand the requests and send the required items, allowing Metrix to start working immediately at the start of the year-end audit.</li> </ul>	Unable to estimate as it will depend on how long it takes to prepare year-end requests.
<b>Year-end Audit</b>	<ul style="list-style-type: none"> <li>• Availability of staff members to pull samples and answer questions in a timely manner for the areas identified in our Audit Focus section above.</li> <li>• Availability of management to discuss any issues or misstatements found.</li> </ul>	<p>Estimated 45 hours, as well as 25 hours of follow-up questions and additional requests.</p> <p>Note that this estimate is based on the assumption that there are minimal issues and few delays in receiving information.</p>
<b>Reporting &amp; Presenting</b>	<ul style="list-style-type: none"> <li>• Availability of senior staff to discuss the financial statements, as well as Audit Findings Report and management letter.</li> </ul>	Estimated 5 hours.
<b>LAPP Engagement</b>	<ul style="list-style-type: none"> <li>• Availability of staff who were involved in preparing LAPP during the year, likely payroll.</li> </ul>	Estimated 10 hours.

## PROPOSED FEES

Our commitment to the Town of Banff is to provide excellent client service for a fee that is fair and reasonable. Metrix's team and resources will be available to the Town when required, to work in a co-operative and interactive environment with the objective of providing maximum benefit. We will work closely with the Town's staff to ensure the audits can be completed as efficiently as possible. Where possible, we will certainly utilize the Town's staff.

At Metrix, we understand your need to maximize value for the fees you pay and strive to keep our fees competitive while upholding quality service standards. We are confident that our fees are reflective of the value-added services we provide to each of our clients. Based on our understanding of the Town's operations, we have provided fee estimates for the duration of the proposed term. These fees are derived from an analysis of our audit approach and our past experiences with other municipalities. The fees for each corresponding year are guaranteed not withstanding changes beyond our assumptions.

### Rates

**Table 1 – Engagement Fees**

Services	FY2025	FY2026	FY2027	Total
Year-end field work and audit of consolidated and non-consolidated financial statements	\$54,500	\$56,500	\$58,500	<b>\$169,500</b>
Financial Information Return ("FIR") certification	2,000	2,250	2,500	<b>6,750</b>
Family and Community Support Services ("FCSS") review	3,000	3,250	3,500	<b>9,750</b>
Banff Housing Corporation audit	11,000	11,500	12,000	<b>35,500</b>
Banff Public Library review	6,500	7,000	7,500	<b>21,000</b>
Tri-annual LAPP compliance audit		3,000		<b>3,000</b>
<b>Total engagement fees</b>	<b>\$77,000</b>	<b>\$83,500</b>	<b>\$84,000</b>	<b>\$244,500</b>
Travel <sup>1</sup>	\$3,000	\$3,500	\$4,000	\$10,500
<b>TOTAL</b>	<b>\$80,000</b>	<b>\$87,000</b>	<b>\$88,000</b>	<b>\$255,000</b>

<b>Additional Fees (if required)</b>				
Financial statement preparation – Town	\$8,000	\$8,500	\$9,000	\$25,500
Financial statement preparation – Housing Corporation	4,000	4,250	4,500	12,750
Financial statement preparation – Library	4,000	4,250	4,500	12,750
<b>Total Additional Fees (if required)</b>	<b>\$16,000</b>	<b>\$17,000</b>	<b>\$18,000</b>	<b>\$51,000</b>

<sup>1</sup> The audit can be performed remotely depending on the preference of management. Travel fees will not apply if the audit is performed remotely.

**Not included** in the above fee estimates are Goods and Services Tax.

Based on the audit work plan, a progress billing schedule will be mutually established and included in the contract. Formal progress reports will accompany each progress billing.

Our fees are based on the assumption that records will be ready and available for our team at the onset of the engagement, that all responses will be provided in a timely manner, and that there are no existing accounting policies / transactions that have been implemented in a manner that is inappropriate for the Town or are not in accordance with Canadian public sector accounting standards.

We are available to our clients, and we encourage our clients to contact us when they have questions during the course of the year. We will provide the Town with recommendations and guidance on any new accounting standards to ensure the disclosures are consistent to the new standards. Our audit fee allows for these ongoing consultations and communications.

To the extent that a request is made by the Council, for a specific project, fees would be estimated in advance (normal hourly rates x estimated time required) and would not commence without client approval. Sometimes a separate engagement letter is used to formalize the project requirements. We are always available to perform additional, in-depth audit work which may be requested by Council. See **Appendix A – Consulting and Advisory Services**.

## Hourly Staff Rates

**Table 2a – Breakdown of Fees - 2025**

Staff Category	2025			
	Hourly Rates	Hours	% of Hours	Fees
Partners	\$275-\$375	20	4%	\$6,500
Senior Manager	\$180-\$250	45	8%	\$10,000
Manager	\$140-\$180	130	22%	\$19,000
Senior accountants	\$120-\$140	195	34%	\$20,500
Staff accountants	\$80-\$110	190	33%	\$21,000
Travel				\$3,000
<b>Total Audit Fees</b>		<b>580</b>	<b>100%</b>	<b>\$80,000</b>

**Table 2b – Breakdown of Fees - 2026**

Staff Category	2026			
	Hourly Rates	Hours	% of Hours	Fees
Partners	\$290-\$395	20	4%	\$7,000
Senior Manager	\$189-\$290	40	7%	\$10,000
Manager	\$147-\$189	135	22%	\$20,000
Senior accountants	\$116-\$147	200	32%	\$23,000
Staff accountants	\$84-\$116	210	35%	\$23,500
Travel				\$3,500
<b>Total Audit Fees</b>		<b>605</b>	<b>100%</b>	<b>\$87,000</b>

**Table 2c – Breakdown of Fees - 2027**

Staff Category	2027			
	Hourly Rates	Hours	% of Hours	Fees
Partners	\$300-\$415	20	4%	\$7,100
Senior Manager	\$200-\$300	45	8%	\$10,100
Manager	\$155-\$200	130	22%	\$20,100
Senior accountants	\$120-\$155	195	34%	\$23,100
Staff accountants	\$88-\$120	190	33%	\$23,600
Travel				\$4,000
<b>Total Audit Fees</b>		<b>580</b>	<b>100%</b>	<b>\$88,000</b>

If by chance unforeseen issues arise, we will consult with management as to the extent of additional services that are required to correct the problem. We do not bill for minor changes to our audit approach. Examples of additional billings include balancing of net assets, bank reconciliations and accounts receivable sub-ledgers. Our Firm believes in a “no surprise audit” and therefore if overruns are apparent, we immediately open discussions with management in hopes of achieving a mutually agreed upon solution.

Please refer to **Appendix A and B** for a comprehensive listing of Metrix’s services.

### Payment Terms and Billings

Accounts are due within 30 days. An interest rate of 12% per annum will be charged on account balances outstanding in excess of 30 days.



## REFERENCES

### City of Spruce Grove

<b>Client Contact:</b>	<b>Zeeshan Hasan, CPA</b> General Manager of Corporate Services
<b>Years Services:</b>	2023 – Present
<b>Phone:</b>	(780) 962 - 2611
<b>Email:</b>	<a href="mailto:Zhasan@sprucegrove.org">Zhasan@sprucegrove.org</a>
<b>Scope of Work:</b>	<b>Assurance Services</b> <ul style="list-style-type: none"> <li>- Consolidated Financial Statement preparation and audit</li> <li>- Municipal Financial Information Return preparation and audit</li> <li>- LAPP compliance engagement</li> </ul>

### Town of Olds

<b>Client Contact:</b>	<b>Sheena Linderman</b> Director of Corporate Services
<b>Years Services:</b>	2023 – Present
<b>Phone:</b>	(403) 507 - 4858
<b>Email:</b>	<a href="mailto:SLinderman@Olds.ca">SLinderman@Olds.ca</a>
<b>Scope of Work:</b>	<b>Assurance Services</b> <ul style="list-style-type: none"> <li>- Consolidated Financial Statement preparation and audit</li> <li>- Municipal Financial Information Return preparation and audit</li> <li>- LAPP compliance engagement</li> </ul>

### City of Wetaskiwin

<b>Client Contact:</b>	<b>Tolulope Maraiyesa, CPA</b> Chief Financial Officer
<b>Years Services:</b>	2021 – Present
<b>Phone:</b>	(780) 361 – 4400
<b>Email:</b>	<a href="mailto:tolulope.maraiyesa@wetaskiwin.ca">tolulope.maraiyesa@wetaskiwin.ca</a>
<b>Scope of Work:</b>	<ul style="list-style-type: none"> <li>- Financial Statement preparation and audit</li> <li>- Municipal Financial Information Return preparation and audit</li> <li>- LAPP compliance engagement</li> <li>- Consulting and advisory services</li> </ul>

## APPENDIX A – CONSULTING AND ADVISORY SERVICES

Our firm offers a wide variety of accounting and advisory services. We are available to our clients, and we encourage our clients to contact us when they have questions or concerns over the course of the year. We will provide the Town with recommendations and guidance and our consulting team is available to provide additional accounting services as requested.

To the extent that a request is made by Council, for a specific project such as the examples noted below, fees would be estimated in advance (normal hourly rates x estimated time required) and would not commence without client approval. Sometimes a separate engagement letter is used to formalize the project requirements. We are always available to perform additional, in-depth audit work which may be requested by Council.

Some of the common consulting engagements within the public sector are discussed in more detail below.

### Implementing New Public Sector Accounting Standards

Canadian public sector accounting standards are consistently updated, which may affect the Town's future financial reporting either through a journal entry or note disclosure.

Our Firm has provided industry-specific seminars for our clients. These seminars have focused on new accounting and assurance pronouncements, Goods and Services Tax issues, and other topics of interest identified by our clients. We have found these sessions to be a useful learning tool not only for our clients but for our audit staff as well.

We are always available to our clients, and we encourage our clients to contact us when they have questions during the course of the year. We will continually provide the Town with recommendations and guidance for new accounting standards.

### Courses or Training

We host information sessions for our various industry groups to discuss matters of interest (e.g. accounting standards changes, GST changes, Council roundtables). These sessions also serve to bring our clients together as an opportunity to build networks that facilitate ongoing communication.

We are always available to provide seminars for specific clients, allowing us to respond to their unique issues. Fees for these seminars are established in advance. Typically, upon request from a client, we would establish an estimate of the fee for preparation and delivery of the seminar. Our fee would be based on our normal hourly rates, extended by the estimated time requirement.

### Technical Literature

We issue periodic technical literature in the form of letters to our individual clients within our industry groups when matters of significance become known. Generally, the information relates to accounting standards, income tax issues or GST issues. We issue this technical literature as an added service to our clients.

## Council and Management Financial Education Sessions

We provide an introductory session to educate new Councillors on how to interpret financial statements for the purpose of making informed financial decisions, and how to understand the components of a financial statement audit. We also provide other and management financial literacy topics which include:

- Council members liabilities and responsibilities.
- Benchmarking and performance reviews.
- Budgeting (processing, reviewing and interpretation).
- Long term capital and operating planning.
- Internal control and processes review – efficiency optimization.

## Audit of Grant Funding Applications

The provincial government may request the audit of revenues and expenditures for certain grant applications. Metrix is equipped to perform these audits and prepare and submit the necessary reports to the granting authorities.

## Management Consulting

Metrix's dedicated consulting practice offers our clients a wide variety of services from a network of designated and qualified professionals ranging from business process and operational reviews, internal audit, project and change leadership and strategic planning services.

Examples of past and current consulting engagements include:

- **Developer Levies:** This project includes working with a municipality to help with their developer levy model by auditing current (existing financial information) and reviewing future expected data (forecasted information). In addition, we are working with the municipality to revise the revenue recognition policy such that developer levies received are recognized appropriately in accordance with Canadian public sector accounting standards and with the Municipal Government Act.
- **Reserve Policy:** This engagement involves working a municipality to review and update their reserve policy.
- **Internal control documentation:** This engagement involved worked with a municipality to document and assess all financial controls and processes. In order to provide feedback on areas for improvement.
- **Procurement Policy compliance:** this engagement includes assessing purchases within a fiscal year to determine if they are in compliance with the procurement policy. In addition, we provide recommendations for areas of improvements within the policy as well as procedures.

## Year-end working paper preparation and reconciliations

In the event that year-end accounting services are unable to be performed and provided by the Town, we are able to offer consulting services to ensure you are prepared for the financial audit and able to meet reporting deadlines. Examples of these services include:

- **Reconciliations:** Metrix will assist in comparing and verifying financial records to ensure consistency and accuracy. This typically includes reconciling bank statements with internal records, checking accounts receivable and payable balances to subledger reports, and confirming that all transactions are properly recorded. The goal is to identify discrepancies and ensure that all financial data aligns with the trial balance provided at the commencement of the audit.
- **Preparation of Year-End Working Papers:** We will assist in preparing detailed documents at the end of the fiscal year that support the financial statements. They include schedules and supporting evidence for account balances, such as trial balances, detailed account listings, and adjustments. These papers help in ensuring that all financial information is complete and accurate before finalizing account balances for the audit.
- **Continuity Schedules:** The preparation of continuity schedules tracks the changes in account balances over time, often showing the beginning and ending balances for specific accounts, along with any adjustments or transactions that occurred during the period. They help in understanding how balances have changed and in maintaining a clear record of financial activity from one period to the next. We are able to assist in the preparation of these schedules for the audit as part of our advisory services.
- **Year-End Journal Entries:** Adjustments made at the end of the fiscal year ensure that financial statements reflect the correct financial position of the Town. This includes recording accruals, deferrals, amortization, and other adjustments to accurately represent revenues, expenditures, and asset values. Year-end journal entries help to ensure financial records are in compliance with public sector accounting standards and ensuring accurate financial reporting.

## Fee Estimates and Ranges

To the extent that a request is made by Council, for a specific project, fees would be estimated in advance (normal hourly rates x estimated time required) and would not commence without client approval. Sometimes a separate engagement letter is used to formalize the project requirements. We are always available to perform additional, in-depth audit work which may be requested by Council.

**Table 1 – Hourly Rates**

Staff Category	Hourly Rates
Principal consultant	\$170 - \$250
Senior consultants	\$120 - \$160
Junior staff	\$70 - \$100

## APPENDIX B – COMPREHENSIVE SERVICES

### Audit and Assurance Engagements

- Financial statement audits
- Review engagements of financial statements
- Other attestation engagements
- Grant funding or program compliance audits or reviews
- Assistance with complex accounting and financial reporting matters

### Taxation

- Tax planning for individuals and corporations
- Return preparation for individuals, private corporations, and not-for-profit organizations / charity returns
- Provincial and federal commodity tax planning and compliance
- Tax considerations in matrimonial settlements
- Tax effects of buying and selling a business
- Tax-effective retirement and estate planning
- Corporate reorganizations of share capital

### General Accounting

- Bookkeeping: monthly, quarterly, annually
- Accounting software selection and implementation
- Notice to reader / Compilation engagements
- Cash flow calculations
- Budget preparation: financial projection and forecasts, corporate and individual
- Payroll processing

### Estate and Trusts

- Preparation of the Terminal and Rights or Things Tax Returns
- Advice on transferring assets
- Preparation of Trust Tax Returns
- Advice on family trusts
- Applying for the Clearance Certificate
- Correspondence with other professionals, including lawyers, appraisers, investment brokers and financial institutions
- Assistance in gathering information for the preparation of the probate application

### Business Advisory, Consulting, and Other Specialised Services

- Mergers and acquisitions
- Business valuations
- Risk management assistance
- Corporate governance reviews
- Internal control reviews
- Business process improvement
- CFO / Controllership duties
- Organizational planning and development
- People, processes, and project leadership
- Performance measurement and reporting
- Change management
- Course presentation on new accounting standards, best practices, and governance

## APPENDIX C – RELEVANT EXPERIENCE

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Local Government / Organization	Engagement Partner	Term	Years Served	Services Provided
<b>Cities / Counties / Municipal Districts</b>				
Athabasca County	Jeff Alliston	2021 - Present	4	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> <li>- Review engagement of FCSS program</li> </ul>
Big Lakes County	Phil Dirks	2003 - Present	22	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> <li>- Review engagement of FCSS program</li> <li>- Other assurance engagements</li> </ul>
Brazeau County	Phil Dirks	2002 - Present	23	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> </ul>
Camrose County	Curtis Friesen	2019 - Present	6	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> </ul>
City of Cold Lake	Jeff Alliston	2021 - Present	4	<ul style="list-style-type: none"> <li>- Audit of financial statements</li> <li>- Audit of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> <li>- Audit of FCSS program</li> <li>- Other special engagement</li> </ul>
City of Spruce Grove	Jeff Alliston	2023 - Present	2	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> <li>- Triennial APEX AUP engagement</li> <li>- Audit of FCSS program</li> </ul>
City of Wetaskiwin	Jeff Alliston	2022 - Present	3	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> <li>- Review engagement of FCSS program</li> <li>- Other assurance engagements</li> </ul>
Clearwater County	Phil Dirks	2010 - Present	15	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> </ul>



Local Government / Organization	Engagement Partner	Term	Years Serviced	Services Provided
Lac La Biche County	Jeff Alliston	2012 - Present	13	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> <li>- Review engagement of FCSS program</li> </ul>
Lac Ste Anne County	Curtis Friesen	2003 - Present	22	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> <li>- Review engagement of FCSS program</li> </ul>
Lamont County	Curtis Friesen	2013 - Present	12	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> <li>- Review engagement of FCSS program</li> </ul>
Leduc County	Curtis Friesen	2003 - Present	22	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> <li>- Review engagement of FCSS program</li> </ul>
Municipal District of Bonnyville	Jeff Alliston	2006 - Present	19	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> <li>- Review engagement of FCSS program</li> </ul>
Municipal District of Lesser Slave River	Jeff Alliston	2013 - Present	12	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> </ul>
Municipal District of Provost	Noel Chin	2010 - Present	15	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> </ul>
Municipality of Jasper	Jeff Alliston	2011 - Present	14	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> <li>- Other assurance engagements</li> </ul>

Local Government / Organization	Engagement Partner	Term	Years Serviced	Services Provided
Parkland County	Noel Chin	2022 - Present	3	<ul style="list-style-type: none"> <li>- Audit of consolidated financial statements</li> <li>- Audit of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> <li>- Triennial APEX AUP engagement</li> <li>- Audit of FCSS program</li> </ul>
Westlock County	Jeff Alliston	2019 - Present	6	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> </ul>
Woodlands County	Jeff Alliston	2019 - Present	6	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> <li>- Review engagement of FCSS program</li> </ul>
Yellowhead County	Curtis Friesen	2002 - Present	23	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP engagement</li> <li>- Review engagement of FCSS program</li> </ul>
<b>Towns</b>				
Town of Blackfalds	Jeff Alliston	2024 - Present	1	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit of municipal financial information return</li> <li>- Triennial LAPP program audit</li> </ul>
Town of Bruderheim	Phil Dirks	2013 - Present	12	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> </ul>
Town of Cochrane	Jeff Alliston	2022 - Present	3	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> <li>- Audit of FCSS program</li> </ul>
Town of Devon	Noel Chin	2024 - Present	1	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> <li>- Review engagement of FCSS program</li> </ul>

Local Government / Organization	Engagement Partner	Term	Years Serviced	Services Provided
Town of Drayton Valley	Phil Dirks	2006 - Present	19	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Review engagement of FCSS program</li> </ul>
Town of Gibbons	Phil Dirks	2011 - Present	14	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Review engagement of FCSS program</li> </ul>
Town of Lamont	Phil Dirks	2019 - Present	6	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> </ul>
Town of Manning	Noel Chin	2017 - Present	8	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> </ul>
Town of Mayerthorpe	Curtis Friesen	2008 - Present	17	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> </ul>
Town of Millet	Jeff Alliston	2022 - Present	3	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> </ul>
Town of Morinville	Curtis Friesen	2007 - Present	18	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> </ul>
Town of Olds	Jeff Alliston	2023 - Present	2	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> <li>- Other assurance engagements</li> </ul>
Town of Onoway	Phil Dirks	1986 - Present	39	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> </ul>

Local Government / Organization	Engagement Partner	Term	Years Serviced	Services Provided
Town of Peace River	Jeff Alliston	2023 - Present	2	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> </ul>
Town of Stony Plain	Phil Dirks	1998 - Present	27	<ul style="list-style-type: none"> <li>- Audit and preparation of consolidated financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> <li>- Review engagement of FCSS program</li> </ul>
Town of Valleyview	Noel Chin	2020 - Present	5	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> <li>- Annual LAPP AUP engagement</li> </ul>
Town of Whitecourt	Curtis Friesen	2007 - Present	18	<ul style="list-style-type: none"> <li>- Audit of consolidated financial statements</li> <li>- Audit of municipal financial information return</li> <li>- Triennial LAPP AUP engagement</li> <li>- Review engagement of FCSS program</li> </ul>
<b>Villages</b>				
Village of Breton	Phil Dirks	1996 - Present	29	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> </ul>
Village of Innisfree	Jeff Alliston	2019 - Present	6	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> </ul>
Village of Kitscoty	Jeff Alliston	2019 - 2024	5	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> </ul>
Village of Marwayne	Jeff Alliston	2021 - Present	4	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> <li>- Audit and preparation of municipal financial information return</li> </ul>
<b>Other Governments</b>				
City of Dawson (Yukon)	Phil Dirks	2010 - Present	15	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> </ul>
East Prairie Metis Settlement	Jeff Alliston	2015 - Present	10	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> </ul>
Town of Faro (Yukon)	Phil Dirks	2020 - Present	5	<ul style="list-style-type: none"> <li>- Audit and preparation of financial statements</li> </ul>

Local Government / Organization	Engagement Partner	Term	Years Serviced	Services Provided
Town of Marshall (Saskatchewan)	Jeff Alliston	2015 - Present	10	- Audit and preparation of financial statements
Village of Carmacks (Yukon)	Phil Dirks	2021 - Present	4	- Audit and preparation of financial statements
Village of Haines Junction (Yukon)	Phil Dirks	2017 - Present	8	- Audit and preparation of financial statements
Village of Marsden (Saskatchewan)	Jeff Alliston	2019 - Present	6	- Audit and preparation of financial statements
Summer Village of Larkspur	Noel Chin	2019 - Present	6	- Audit and preparation of financial statements - Audit and preparation of municipal financial information return
Summer Village of Mewatha Beach	Noel Chin	2019 - Present	6	- Audit and preparation of financial statements - Audit and preparation of municipal financial information return
Summer Village of Sandy Beach	Phil Dirks	2010 - Present	15	- Audit and preparation of financial statements - Audit and preparation of municipal financial information return
Summer Village of South Baptiste	Noel Chin	2019 - Present	6	- Audit and preparation of financial statements - Audit and preparation of municipal financial information return
Summer Village of Sunset Point	Noel Chin	2020 - Present	5	- Audit and preparation of financial statements - Audit and preparation of municipal financial information return
Summer Village of Sunrise Beach	Phil Dirks	2006 - Present	19	- Audit and preparation of financial statements - Audit and preparation of municipal financial information return
Sylvan Summer Villages (5 SVS)	Phil Dirks	2013 - Present	12	- Audit and preparation of financial statements - Audit and preparation of municipal financial information return
Summer Village of Whispering Hills	Noel Chin	2019 - Present	6	- Audit and preparation of financial statements - Audit and preparation of municipal financial information return
<b>Regional Service Commissions and Authorities</b>				
Alberta Central East (ACE) Water Corporation	Jeff Alliston	2020 - Present	5	- Audit and preparation of financial statements

Local Government / Organization	Engagement Partner	Term	Years Serviced	Services Provided
Aspen Regional Water Services Commission	Jeff Alliston	2020 - Present	5	- Audit and preparation of financial statements - Audit and preparation of regional service commission financial information return
Beaver Emergency Services Commission	Phil Dirks	2023 - Present	2	- Audit and preparation of financial statements - Audit and preparation of regional service commission financial information return
Bonnyville & District Centennial Centre Corporation	Jeff Alliston	2020 - Present	5	- Audit and preparation of financial statements
Bonnyville Regional Fire Authority	Jeff Alliston	2019 - Present	6	- Audit and preparation of financial statements
Capital Region Northeast Water Services Commission	Phil Dirks	2019 - Present	6	- Audit and preparation of financial statements - Audit and preparation of regional service commission financial information return
Capital Regional Parkland Water Services Commission	Phil Dirks	2013 - Present	12	- Audit and preparation of financial statements - Audit and preparation of regional service commission financial information return
Central Alberta Regional Waste Management Commission	Jeff Alliston	2023 - Present	2	- Audit and preparation of financial statements - Audit and preparation of regional service commission financial information return
Cold Lake Regional Utility Services Commission	Jeff Alliston	2021 - Present	4	- Audit of financial statements - Audit of regional service commission financial information return
Darwell Lagoon Commission	Curtis Friesen	2007 - Present	18	- Audit and preparation of financial statements - Audit and preparation of regional service commission financial information return
High Prairie & District Regional Solid Waste Management Authority	Phil Dirks	2007 - Present	18	- Audit and preparation of financial statements
Highway 43 East Waste Commission	Curtis Friesen	2011 - Present	14	- Audit and preparation of financial statements - Audit and preparation of regional service commission financial information return
Lesser Slave Lake Regional Waste Management Services Commission	Jeff Alliston	2015 - Present	10	- Audit and preparation of financial statements - Audit and preparation of regional service commission financial information return
Mackenzie Regional Waste Management Commission	Noel Chin	2020 - Present	5	- Audit and preparation of financial statements - Audit and preparation of regional service commission financial information return

Local Government / Organization	Engagement Partner	Term	Years Serviced	Services Provided
Mountain View Regional Waste Management Commission	Jeff Alliston	2017 - Present	8	- Audit and preparation of financial statements - Audit and preparation of regional service commission financial information return
North 43 Lagoon Commission	Curtis Friesen	2007 - Present	18	- Audit and preparation of financial statements - Audit and preparation of regional service commission financial information return
South Red Deer Regional Waste Water Commission	Jeff Alliston	2021 - Present	4	- Audit and preparation of financial statements - Audit and preparation of regional service commission financial information return
West Dried Meat Lake Regional Solid Waste Authority	Curtis Friesen	2018 - Present	7	- Audit and preparation of financial statements
West Interlake District Water Commission	Curtis Friesen	2008 - Present	17	- Audit and preparation of financial statements - Audit and preparation of regional service commission financial information return
West Yellowhead Regional Waste Management Authority	Curtis Friesen	2023 - Present	2	- Audit and preparation of financial statements
<b>Library Boards</b>				
Big Lakes County Library Board	Phil Dirks	2003 - Present	22	- Review engagement and preparation of financial statements
Cold Lake Public Library	Jeff Alliston	2021 - Present	4	- Audit of Library Board financial statement - Annual LAPP AUP engagement
Devon Public Library	Noel Chin	2024 - Present	1	- Audit of financial statement
Manning Municipal Library Board	Noel Chin	2017 - Present	8	- Compilation of statement of receipts and disbursements
Morinville Library Board	Curtis Friesen	2022 - Present	3	- Audit and preparation of statement of receipts and disbursements
Town of Millet Library Board	Jeff Alliston	2022 - Present	3	- Audit and preparation of financial statements
Spruce Grove Public Library	Phil Dirks	2011 - Present	14	- Audit and preparation of financial statement



Local Government / Organization	Engagement Partner	Term	Years Serviced	Services Provided
Town of Cochrane Library Board	Jeff Alliston	2022 - Present	3	- Audit and preparation of financial statements
Town of Peace River Library Board	Jeff Alliston	2023 - Present	2	- Audit and preparation of financial statements
Town of Stony Plain Library Board	Phil Dirks	2018 - Present	7	- Audit and preparation of financial statement
Valleyview Municipal Library	Noel Chin	2020 - Present	5	- Compilation of statement of receipts and disbursements
Wetaskiwin Public Library	Jeff Alliston	2022 - Present	3	- Review engagement and preparation of financial statements

## APPENDIX D – SAMPLE AUDIT FINDINGS REPORT

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**METRIX GROUP** LLP

CHARTERED PROFESSIONAL  
ACCOUNTANTS

# SAMPLE MUNICIPALITY

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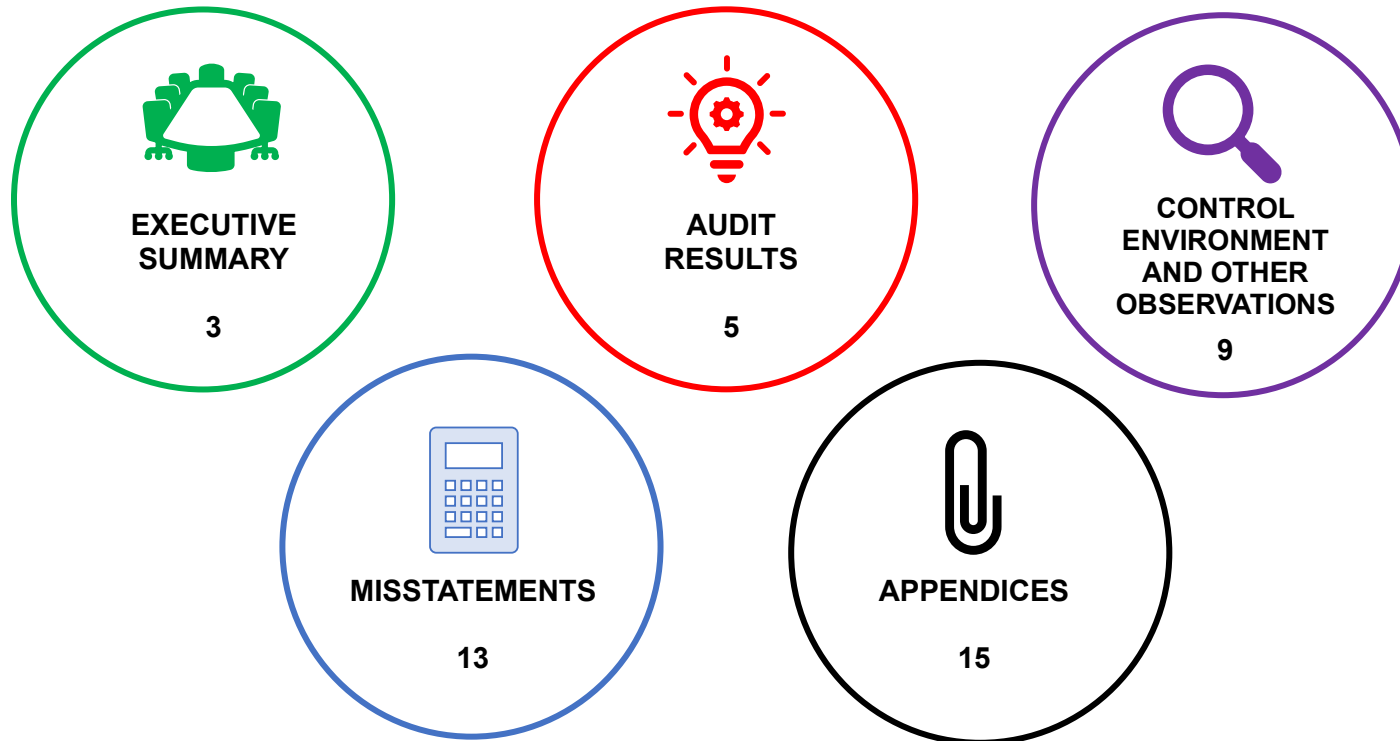
## Audit Findings Report

For the year-ended December 31, 20XX

April XX, 20XX

# REPORT CONTENTS

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# EXECUTIVE SUMMARY

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## Purpose of this report

The purpose of this report is to communicate clearly with you the findings of our audit of the Municipality for the year ended December 31, XXXX. This communication is to summarize the result of our procedures and provide comments on any significant matters, including misstatements accounting policies, estimates, and other matters, that we have identified.

### Finalizing the audit

As of April XX, 2024, we have substantially completed the audit of the Municipality's financial statement with the exception of:

- Completing our subsequent events procedures.
- Obtaining the signed management representation letter.
- Completing our required communication to Council.
- Obtaining evidence of Council's approval of the financial statements.

We will update Council on significant matters, if any, arising from the completion of the audit, including the completion of the procedures above.

### Changes from the audit plan

There have been no other significant changes to our audit plan from what was communicated in our Audit Planning Report previously presented to you.

### Materiality

The auditors' determination of materiality is a matter of professional judgement and is affected by the auditors' perception of the financial information needs of users of the financial statements.

Materiality for the 2023 audit was set at \$X,XXX,XXX (3% of operating expenses) with a trivial threshold of \$XXX,XXX. We anticipate that management will record any adjustments that we propose that are of a non-trivial nature. Please refer to summary of adjusted and uncorrected misstatements for misstatements identified.

### Significant difficulties encountered during the audit

We encountered no significant difficulties during our audit that should be brought to the attention of Council.

## Engagement team

Team member	Role	Experience
<b>Jeff Alliston, CPA, CA</b> Engagement Partner	<p>As the engagement partner, Jeff will have the responsibility of leading the audit and will be responsible for the quality and timeliness of the audit.</p> <p>Jeff will also be available throughout the audit process and will attend the Council meeting with management and present the financial statements.</p>	<p>Jeff holds over 15 years of public sector auditing experience working with municipalities of all types and sizes. He has also delivered many presentations on public sector topics and is also a member of the Emerging Issues Task Force as administered by the Government Finance Officers Association – Alberta Chapter.</p>
<b>Danny On, CPA</b> Senior Manager	<p>Danny will lead the team as the engagement senior manager.</p> <p>Danny will be responsible for planning and reporting the audit.</p>	<p>Danny holds over 9 years of experience in providing assurance services to clients and has since developed a specialization in public sector entities, not-for-profit organizations, and school divisions. His clients vary in size ranging from less complex entities to large organizations.</p>
<b>Dayle Weslosky, CPA, MBA</b> Manager	<p>Dayle will be responsible for planning, executing, and reporting the audit.</p>	<p>Dayle holds over 5 years of providing assurance services to clients and has since developed a specialization in public sector entities, not-for-profit organizations, and school divisions. Her clients vary in size ranging from less complex entities to large organizations.</p>



## AUDIT RESULTS

The following is a summary of our audit focus including risks identified, our procedures performed in response, and our findings.

Management override of controls		
Risk	Our Response	Findings
Management is in a unique position to perpetrate financial statement fraud through the manipulation of accounting records. Under Canadian assurance standards, there is a presumed fraud risk related to management's ability to override internal controls. This risk is not rebuttable.	Using data analytics, we have identified journal entries that exhibit characteristics which may be indicative of possible control override. We have assessed the business rationale of the transactions taking into consideration estimates applied, application of accounting policies, evidence of potential management bias.	We have identified a control deficiency in the financial reporting process – please refer to the <i>Control Environment and Other Observations</i> section below.  No other significant findings have been identified.
Revenue recognition (including deferred revenue and government transfers)		
Risk	Our Response	Findings
Grant funding subject to external funder restrictions (e.g., Government of Alberta) has been prematurely recognized as revenue.	<ul style="list-style-type: none"><li>- We have obtained an understanding of the processes and controls in place regarding revenues received.</li><li>- We inspected significant agreements and other source documentation for funding purpose and restrictions.</li><li>- We have assessed significant revenue transactions for compliance with external restrictions.</li><li>- We have performed a search for unrecorded revenue to assess completeness of government transfers recognized.</li><li>- We have assessed the completeness and existence of deferred revenue recorded.</li></ul>	We have identified one uncorrected adjustment – see <i>Misstatements</i> section below for additional discussion.  No other significant findings have been identified.



Sales and user fees		
Risk	Our Response	Findings
User fees recorded are not complete or the incorrect rate is being used.	<ul style="list-style-type: none"> <li>- We have obtained an understanding of the processes and controls in place over utilities revenue.</li> <li>- We will perform substantive analytical procedures to assess the accuracy and completeness of the revenues recorded.</li> </ul>	No significant findings have been identified.
Operating expenses (including accounts payable and accrued liabilities)		
Risk	Our Response	Findings
Expenses have not been recorded in the correct reporting period, either due to premature recognition or missing accruals, or do not exist.	<ul style="list-style-type: none"> <li>- We have obtained an understanding of the processes and controls in place over procurement and payment.</li> <li>- We have inquired with management and reviewed subsequent Council minutes for significant transactions not recorded.</li> <li>- We have tested a sample of expenses recorded, including significant transactions.</li> <li>- We have performed a search for unrecorded liabilities.</li> <li>- We have examined accrued liabilities for accuracy and cut-off.</li> </ul>	No significant findings have been identified.
Salaries, wages and benefits (including employee benefit obligations)		
Risk	Our Response	Findings
Employees have been paid at a rate inconsistent with their employee contract.	<ul style="list-style-type: none"> <li>- We have obtained an understanding over the processes and controls in place over payroll and human resource activities.</li> <li>- We have performed substantive analytical procedures over salaries, wages and benefits.</li> </ul>	No significant findings have been identified.

<b>Cash and investments</b> (including investment income)		
<b>Risk</b>	<b>Our Response</b>	<b>Findings</b>
<p>There is an inherent risk of fraud related to cash and investments.</p> <p>Cash and investments are material balances to the Municipality.</p> <p>PS 3041 – Portfolio Investments, and PS 3450 – Financial Instruments are being implemented.</p>	<ul style="list-style-type: none"> <li>- We have obtained an understanding of processes and controls surrounding cash and investment activities.</li> <li>- We have obtained third party evidence over the Municipality's bank balances.</li> <li>- We have tested significant reconciling items in the bank reconciliation.</li> <li>- We have assessed the classification of financial instruments recorded as cash.</li> <li>- We have assessed the measurement basis of investment instruments held.</li> <li>- We will assess the disclosure presented against the requirements under PSAS.</li> </ul>	<p>There was a change related to the valuation of investments in response to the implementation of PS 1201 – Financial Statement Presentation and PS 3450 – Financial Instruments Implementation. Please refer to the <i>Control Environment and Other Observations and Restatement</i> sections below.</p> <p>No significant findings have been identified.</p>
<b>Receivable balances</b> (including Taxes, Trade, and Other Governments)		
<b>Risk</b>	<b>Our Response</b>	<b>Findings</b>
<p>There exists the risk that the amounts outstanding will not be collectible.</p> <p>There exists the risk that receivables have been overstated.</p> <p>There exists the risk that receivables outstanding at year-end have not been accrued.</p>	<ul style="list-style-type: none"> <li>- We have obtained an understanding of the policies and procedures regarding collection and provisions.</li> <li>- We have reviewed management's assessment of the collectability of receivable balances.</li> <li>- We have performed a search for unrecorded receivables to assess completeness of receivables outstanding at year-end.</li> <li>- We have coordinated with procedures performed over deferred revenue and revenue.</li> </ul>	<p>No significant findings have been identified.</p>

Tangible capital assets ("TCA")		
Risk	Our Response	Findings
<p>There exists the risk that TCA has been expensed rather than capitalized or has been recorded incorrectly. Conversely, there exists the risk that expenditures that are not capital in nature have been capitalized.</p> <p>The valuation of TCA is subject to management's estimate which may be complex and subject to change.</p>	<ul style="list-style-type: none"> <li>- We have obtained an understanding of how contributed tangible capital assets are recorded.</li> <li>- We have reviewed the amortization policy.</li> <li>- We have performed substantive tests of details over additions and disposals.</li> <li>- We have re-calculated amortization expense and gains / losses on the disposal of TCA.</li> <li>- We have inquired with management about indicators of impairment.</li> <li>- We have coordinated with procedures performed over deferred revenue.</li> <li>- We have assessed the completeness of contributed tangible capital assets.</li> </ul>	<p>This balance was restated in the year as part of the implementation of PS 3280 – Asset Retirement Obligations. Please refer to the <i>Control Environment and Other Observations</i> and <i>Restatement</i> sections below.</p> <p>No significant findings have been identified.</p> <p>Additionally, we have identified other matters. Please refer to the <i>Control Environment and Other Observations</i> section below.</p>
Asset retirement obligations ("ARO")		
Risk	Our Response	Findings
<p>PS 3280, Asset Retirement Obligations, is being implemented for the first year with AROs being estimates subject to management bias.</p>	<ul style="list-style-type: none"> <li>- We have assessed the completeness of assets identified with an ARO.</li> <li>- We have assessed the reasonability of inputs used in calculating the estimate.</li> <li>- We have verified the mathematical accuracy of the liability calculated.</li> </ul>	<p>This balance was restated in the year as part of the implementation of PS 3280 – Asset Retirement Obligations. Please refer to the <i>Control Environment and Other Observations</i> and <i>Restatement</i> sections below.</p> <p>No significant findings have been identified.</p>



# CONTROL ENVIRONMENT AND OTHER OBSERVATIONS

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Our objective is to communicate appropriately to Council any significant deficiencies in internal control that we have identified during the audit and that, in our professional judgement, are of sufficient importance to merit being reported to those charged with governance.

The audit findings contained in this report did not have a material effect on the Municipality's consolidated financial statements, and as such, our audit report is without reservation with respect to these matters.

## Significant Deficiencies of Internal Controls

We have not identified any control deficiencies that we have determined to be significant to internal controls over financial reporting.

## Significant Qualitative Aspects of Accounting Policies

Management is responsible for determining significant accounting policies. The choice of different accounting policy alternatives can have a significant effect on the financial position and results of the Municipality. The application of those policies often involved significant estimates and judgements by management.

Other than the policy changes described below, there have been no other initial selections of, or changes to, significant accounting policies and practices that we would like to bring to your attention.

We are of the opinion that the significant accounting policies and the financial disclosures made by management do not materially misstate the financial statements taken as a whole.

### *PS 3280 – Asset Retirement Obligations Implementation*

In 2023, the Municipality adopted PS 3280 Asset Retirement Obligations. Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Effective January 1, 2022, the Municipality recognized the following to conform to the new standard:

- Asset retirement obligations where the event giving rise to the obligation (i.e. acquisition, construction, development or normal use) occurred on or after January 1, 2023;

- Asset retirement obligations where the event giving rise to the obligation arose prior to January 1, 2023 and the obligation has not been previously recognized; and
- Asset retirement obligations where the event giving rise to the obligation arose prior to January 1, 2023 and the previously recognized obligation requires adjustment in applying the standard.

The Municipality has applied the standard using the modified retroactive approach with restatement of prior year comparative information. Note 1 in the financial statements describes the adoption of the new accounting standard for the year-ended December 31, 2023. See the Restatement section for information about the impact on the prior period.

*PS 1201 – Financial Statement Presentation and PS 3450 – Financial Instruments Implementation*

In 2023, the Municipality adopted PS 1201 – Financial Statement Presentation and PS 3450 – Financial Instruments. The impact of this standard is as follows:

- The carrying value of financial instruments included in investments and derivative contracts are measured at fair value. Prior to January 1, 2023, these financial instruments were measured at cost or not recognized.
- Additional financial statement note disclosures are required.
- Unrealized gains and losses are recorded in the new statement of remeasurement gains and losses. Prior to January 1, 2023, these unrealized gains and losses were not recognized in the financial statements.

The financial impact to January 1, 2023 balances (in thousands) are as follows:

- Decrease to investments of \$X,XXX.
- Increase to financial contracts receivable of \$X,XXX.
- Increase to financial contracts payable of \$X,XXX.
- Increase to accumulated remeasurement losses of \$XXX.

The Municipality has applied the standard prospectively, with no restatement of prior year comparative information. Note 1 in the financial statements describes the adoption of the new accounting standard for the year-ended December 31, 2023. See the Restatement section for information about the impact on the prior period.

## **Significant Qualitative Aspects of Accounting Estimates**

Management is required to disclose the assumptions it makes about the future, and other major sources of measurement uncertainty, that have a significant risk of resulting in a material misstatement to the financial statements.

Significant estimates relate to the allowance for doubtful accounts, valuation of tangible capital assets, the useful lives and related amortization of tangible capital assets, asset retirement obligations, environmental liabilities, and contingent liabilities.

Overall, we are satisfied with the reasonability of accounting estimates.

## **Management Letter**

We will be submitting a letter to the Municipality's management on other matters that we feel should be brought to their attention.

## **Other Matters**

We have identified other matters that we would like to bring to your attention.

### *TCA Policy*

#### *Policy Review*

While completing audit procedures over tangible capital assets we noted that the TCA policy in place was last approved in December XXX.

#### *Implementation*

We noted several instances in which assets are being amortized at a useful life estimate that is not in compliance with the policy. Financial reporting standards mandate the use of a consistent and appropriate amortization method to accurately reflect the consumption of the asset's economic benefits over its useful life.

We recommend that the amortization methods outlined in the capital asset policy be implemented and consistently applied to each asset class.

*Non-compliance with Public Sector Accounting Standards (PSAS)*

Our audit work over tangible capital assets noted areas where the policy does not align with financial reporting standards.

Specifically, current policies over betterments, valuation and impairment assessment of tangible capital assets are not in compliance with PSAS. Failure to apply appropriate accounting treatment for betterments, valuation and impairment may result in the overstatement of asset values and posing risk to the accuracy of financial reporting over capital assets.

We recommend that the policy implement procedures for fair valuation of assets and maintain adequate documentation to support valuation decisions. Moreover, we recommend that the policy incorporate provisions for impairment assessments to comply with financial reporting standards and mitigate the risk of overstatement.

*Transfers to/from reserves*

When performing our audit procedures over reserves, it was noted that approved transfers to/from reserves are not being made between the unrestricted surplus GL account and respective restricted reserve accounts in the correct period. Recording approved reserve transfers to the respective GL accounts in the correct period mitigates the risk of inaccurate tracking of unrestricted and restricted funds.

We recommend that transfers between unrestricted and restricted reserves be recorded in the year they are approved via council motions and budget approvals. The accurate and timely recording of transfers provides a clearer picture of the Municipality's committed funds for budgeting and financial reporting purposes.





# MISSTATEMENTS

## Adjusted Misstatements

Audit adjustments have been recorded in order for the Municipality to comply with reporting requirements under Canadian public sector accounting standards.

Increase (decrease) from opening balances				
Differences noted	Assets	Liabilities	Accumulated Surplus	Annual Surplus
X audit adjustments (2022 – X).	\$ (XXX,XXX)	\$ (XXX,XXX)	\$ XX,XXX	\$ XX,XXX
<b>Total Adjusted Differences (Income Effect)</b>				<b>\$ XX,XXX</b>

## Uncorrected Misstatements

In accordance with Canadian auditing standards, we are required to request that all uncorrected misstatements be corrected. We have requested this of management.

Management has decided not to correct certain misstatements and has provided representation that the uncorrected misstatements, individually and in aggregate, are not material to the financial statements – please refer to **Appendix 2** for the management representation letter.

### *Misstatements (continued)*

The total unrecorded misstatements noted during the audit amounted to a \$XXX,XXX under-statement of the Municipality's surplus for the year ended December 31, 2023.

Amount of over (under) misstatement				
Description	Assets	Liabilities	Surplus	Accumulated Surplus
To adjust .....	\$ -	\$ -	\$ XXX,XXX	\$ -
<b>Total unrecorded misstatements</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (XXX,XXX)</b>	<b>\$ -</b>

After considering both quantitative and qualitative factors with respect to the uncorrected misstatements accumulated during the audit, we agree with management that the uncorrected misstatements are not material to the financial statements. Accordingly, our auditors' opinion has not been modified with respect to the uncorrected misstatements presented.

## Restatements

Due to the implementation of PS 3280 – Asset Retirement Obligations (see Control Environment and Other Observations section), the Municipality has restated fiscal year 2022 balances.

The net effect on the financial statements (in thousands) has been to adjust the December 31, 2022 balances as follows:

- Increase to net book value of tangible capital asset by \$XX.
- Increase to asset retirement obligations of \$XX.
- Increase to amortization expense by \$XX.
- Increase to accretion expense of \$XX.
- Decrease to annual surplus of \$XX.
- Decrease to opening accumulated surplus by \$XXX.



## APPENDICES

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- **Appendix 1 – Required communications**
- **Appendix 2 – Management representation letter**
- **Appendix 3 – Draft auditor's report**
- **Appendix 4 – New and revised accounting standards**

## Appendix 1 – Required communications

### Independence

We have been engaged to audit the financial statement of the Municipality for the year ending December 31, 2023.

We believe that it is important that we communicate at least annually with you regarding all relationships between the Municipality and our firm that, in our professional judgement, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the Chartered Professional Accountants of Alberta and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client.
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) Economic dependence on a client; and
- (e) Provision of services in addition to the audit engagement.

We are not aware of any relationships between the Municipality and ourselves that, in our professional judgement, may reasonably be thought to bear on our independence that have occurred from January 1, 2023 to April XX, 2024.

### Management representation

Management's representations are integral to the audit evidence we will gather. Prior to the release of our independent auditors' report, we will require management's representations in writing to support the content of our report. Please refer to **Appendix 2**.

## **Appendix 2 – Management representation letter**

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## **Appendix 3 – Draft auditors’ report**

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## Appendix 4 – New and revised accounting standards

Standard	Summary	Effective Date
<b>PS 3160 Public Private Partnerships</b>	This section will establish standards on how to account for public private partnership agreements, specifically recognition and measurement of infrastructure assets and the corresponding financial liability.	Fiscal years beginning on or after April 1, 2023. Early adoption is permitted.
<b>PS 3400 Revenue</b>	This section will be updated to provide additional guidance regarding the timing of revenue recognition along with additional disclosure requirements.	Fiscal years beginning on or after April 1, 2023. Early adoption is permitted.
<b>PSG-8 Purchased Intangibles</b>	This guideline explains the scope of intangible assets now allowed to be recognized in financial statements.	Fiscal years beginning on or after April 1, 2023. Early adoption is <i>encouraged</i> .
<b>PS 1202 Financial Statement Presentation</b>	This standard sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement principles are based on the concepts in the Conceptual Framework for Financial Reporting in the Public Sector.	Fiscal years beginning on or after April 1, 2026. Early adoption is permitted.

## APPENDIX E – SAMPLE MANAGEMENT LETTERS



April XX, 2024

Sample Municipality  
XXXX – XX Avenue  
Municipality, AB XXX XXX

**Attention: Director of Corporate Services**

Dear First Name, Last Name:

**RE: 2024 MANAGEMENT LETTER**

We recently completed our audit of the consolidated financial statements of the Municipality (the "Municipality") as at, and for the year ended December 31, 2024. Our examination was made in accordance with Canadian generally accepted auditing standards and accordingly included a review of a number of the systems of operating and financial controls, and such tests and procedures as we considered necessary in the circumstances. The objective of our audit was to obtain reasonable assurance that the financial statements are free of material misstatement. Our audit was not designed for the sole purpose of identifying matters to communicate. Accordingly, an audit would not necessarily identify all such matters that may be of interest to management in discharging its responsibilities. Therefore, it is inappropriate to conclude that no such matters exist. However, we have identified a number of matters that we have brought forward for your consideration. Please refer to Appendix A for detailed discussion regarding the matters identified.

This communication is prepared solely for the information of management and is not intended for any other purpose.

**METRIX GROUP LLP**



Jeffrey B. Alliston, CPA, CA  
Partner

JBA/dkw

cc: Chief Administrative Officer

## Appendix A – Matters Identified

### Matters Raised in Audit Findings Report

#### *Work in Progress (WIP)*

During our audit, we noted that certain projects classified as work in progress (WIP), which do not meet the criteria for capitalization under the Municipalities tangible capital asset policy were not expensed in the year the costs were incurred. Instead, the expenditures were held in WIP and expensed only upon project completion.

Deferring the recognition of expenses for non-capital projects results in a misstatement of expenses and accumulated surplus in the year the costs are incurred. We recommend that management review projects recorded in WIP on an ongoing basis to determine whether they meet the criteria for capitalization. Costs associated with projects that do not meet capitalization criteria should be expensed in the period in which they are incurred to ensure compliance with PSAS and accurate financial reporting.

As of December 31, 2024, the Municipality expensed \$1.401 million from WIP relating to previous fiscal years expenditures. The balance is not material to the Municipality and has been recorded as an uncorrected misstatement. Our audit opinion has not been modified.

#### Management Response:

#### *Bank Reconciliation*

At the commencement of the audit, the year-end bank reconciliations for the cash accounts were not finalized or available for review which caused delays to audit processes and procedures. The Municipality implemented a new Enterprise Resource Planning (ERP) system during the year, and the transition-related challenges such as system configuration and the learning curve associated with new processes contributed to the delay in finalizing reconciliations prior to the commencement of the audit fieldwork.

As part of the continued ERP rollout, we recommend that management further strengthen internal controls and provide targeted training to staff involved in the reconciliation process to help support timely financial reporting and reduce delays in future periods.

#### Management Response:

#### *Municipally Controlled Corporation*

During our audit of the Municipality's financial statements, we noted that the Municipality's municipally controlled corporation (MCC) is preparing its financial statements using Accounting Standards for Private Enterprises (ASPE). Based on our assessment, the MCC meets the definition of a government business enterprise (GBE) as outlined in PS 1300.28–.36 of the CPA Canada Public Sector Accounting (PSA) Handbook.

According to PSAS, GBEs should adhere to the standards applicable to publicly accountable enterprises in the CPA Canada Handbook and therefore, GBEs are required to adopt and apply International Financial Reporting Standards (IFRS) for their financial statements, not ASPE. This is further supported by Section 275 of the Municipal Government Act (MGA), which requires municipalities and their controlled entities to follow generally accepted accounting principles for public sector bodies.

The use of ASPE instead of IFRS results in the municipally controlled corporation's financial statements being non-compliant with both the PSAS Handbook and the Municipal Government Act. This increases the risk of misstatements in the Municipality's financial statements and may impact the accuracy and consistency of financial information. Continued non-compliance may also impact future Municipality audit opinions or result in additional audit procedures and disclosures.

We recommend that the Municipality assess and formally document the classification of the controlled corporation under PS 1300.29–36 and require the entity to adopt IFRS as its reporting framework.

*Management Response:*

**Additional Matters:**

*Manual Journal Entries – Approval*

During our review of manual journal entries, we noted that there was no preparer sign-off on the entries, nor were there dates recorded to indicate when the entries were prepared or reviewed. The absence of preparer sign-off and dating limits the audit trail and accountability over journal entry processing. It also increases the risk of errors or unauthorized entries going undetected, as there is no clear documentation of when the entries were made or who was responsible for their preparation and review.

We recommend implementing a formal process requiring all manual journal entries to include the name or initials of the preparer, the date of preparation, and evidence of review and approval (such as reviewer initials and date). This will improve accountability, support internal control effectiveness, and provide a complete audit trail.

*Management Response:*

*Manual Journal Entries – Supporting Documents*

We noted three instances where manual journal entries (MJE) were posted without adequate supporting documentation to substantiate the nature and purpose of the adjustments.

Posting journal entries without appropriate supporting documentation increases the risk of misstatements, whether due to error or fraud, and impairs the ability of reviewers to validate the accuracy and legitimacy of the entries.

We recommend that all manual journal entries be supported by sufficient and relevant documentation that clearly explains the reason for the entry and provides evidence to validate the transaction.

Management Response:

### *Timesheets*

During our work over payroll, we noted one instance where an employee's timesheet was processed without documented approval from a supervisor. Processing timesheets without proper approval may result in inaccurate or unauthorized payroll payments. It also undermines the effectiveness of internal controls over payroll and may create potential compliance or financial reporting risks.

We recommend that all timesheets be reviewed and formally approved by the appropriate supervisor prior to processing.

Management Response:



April XX, 2024

Sample Municipality  
XXXX – XX Avenue  
Municipality, AB XXX XXX

**Attention: Finance Manager**

Dear First Name, Last Name:

**RE: 2024 MANAGEMENT LETTER**

We recently completed our audit of the consolidated financial statements of the Municipality (the “Municipality”) as at, and for the year ended December 31, 2024. Our examination was made in accordance with Canadian generally accepted auditing standards and accordingly included a review of a number of the systems of operating and financial controls, and such tests and procedures as we considered necessary in the circumstances. The objective of our audit was to obtain reasonable assurance that the financial statements are free of material misstatement. Our audit was not designed for the sole purpose of identifying matters to communicate. Accordingly, an audit would not necessarily identify all such matters that may be of interest to management in discharging its responsibilities. Therefore, it is inappropriate to conclude that no such matters exist. However, we have identified a number of matters that we have brought forward for your consideration. Please refer to Appendix A for detailed discussion regarding the matters identified.

This communication is prepared solely for the information of management and is not intended for any other purpose.

**METRIX GROUP LLP**

Jeffrey B. Alliston, CPA, CA  
Partner

JBA/mnr

cc: Chief Financial Officer



## Appendix A – Matters Identified

### Stale-dated cheques

(2023 Update)

We identified stale-dated cheques in the bank reconciliation at year-end. We **recommend** that management assess stale-dated cheques to determine if they are still valid payables. Where necessary, cheques should be voided and re-issued.

### Cash held in trust

(2023 Update)

We noted that trust accounts and associated trust liabilities do not reconcile to zero. As balances could be withdrawn from the Municipality, it is best practice to ensure there is sufficient cash to meet trust liability commitments.

We **continue to recommend** that management review their current trust commitments and transfer cash accordingly from their operating account to ensure balances are sufficient.

### Engineering report

(2023 Update)

We noted the last completed assessment on contaminated sites was completed on July 24, 2014. An updated environmental site assessment was conducted on September 1, 2022, for Phase I. This assessment concluded that there might be potential contaminated sites for the Municipality. However, no final assessments have been made nor have the liability been quantified. Phase II is required to complete the determination of breaches of any environmental standards.

We **continue to recommend** that Phase II be completed for the next fiscal year to determine if any additional liability is required to be established for contaminated sites.

### ActiveNet reconciliation

During the 2024 audit, we identified significant differences between the expected accounts receivable balance for recreation as at December 31, 2024, and the balance as per the GL as at that date. Upon further investigation, it was discovered that the daily package provided by the recreation department (Account Distribution Report) to Finance only included "Manluk Centre" transactions and not "Online" transactions. As such, cash balanced each day, but accounts receivable was not being reduced by online payments made, therefore online payments were being double-recorded to revenue. This resulted in overstatement of both accounts receivable and recreation revenues. This overstatement (\$170K) was not material, but resulted in an unadjusted entry being prosed as at year-end.

We **recommend** that management work with the recreation department to have the system create daily reports at midnight to assist Finance's reconciliation of ActiveNet's account receivable balance.

### **Duplicate invoices**

We noted one instance where an invoice was paid twice: once via AutoWD and another via EFT. This occurred during the bank change over which has caused confusion during processing of invoices. Management was able to catch this error during their review of the bank reconciliation and has remediated it with the vendor.

We noted that in order to process payments, it must be applied to a unique invoice numbers. Our understanding of controls over purchases is that there is an automated control within Microsoft Great Plains ("GP") that would not allow for entry of duplicate invoices. The ability to process the payment twice indicates that there is a way to bypass this control which could indicate a more serious problem with the system. We recognize that it is also possible that the second invoice enter might have had an error which is why it was not flagged by the system.

We **recommend** that management investigate how the duplicated invoice was not flagged by the system as this could be an indication of problems with the system's backend settings.

### **Offsite levy continuity schedule**

In performing work over deferred revenue, we noted a balance of \$XXX,XXX offsite levies included under GL X-XX-XXX-XXX – Deferred Revenue. There is currently no continuity schedule available that outlines the underlying projects making up this balance. It is undeterminable if projects making up the offsite levies are complete or if revenue recognition is required.

Given limited information available, it is possible that deferred revenue is overstated and as such, there might be a corresponding understatement in revenue.

We **recommend** that management coordinate with planning and development to create a working paper outlining the underlying offsite levies making up this balance. An assessment should be done for project completion and progress to determine if revenue should be recognized.

### **Formalized IT plan and back-up testing**

The Municipality does not have a formalized IT strategic plan or business continuity plan. The lack of a formalized strategic or business continuity plan can increase the Municipality's exposure to data loss. This loss could occur via data hack, technological disruption or internal error. This could result in the Municipality being liable for any sensitive or personal information of residents, vendors or employees being stolen.

Additionally, we noted that no routine back up testing is completed by the Municipality. This corresponds to the increased risk of possible loss of information, as if backups are not tested on a regular basis, it's plausible the backup file could become corrupted, improperly saved or be lost, resulting in no recovery of data.

We **recommend** prioritizing implementing a formalized IT strategic plan, including implementing backup testing on a routine basis to strengthen the Municipality's IT environment.