

COUNCIL REPORT

M&C No.	2019-205
Report Date	August 02, 2019
Meeting Date	August 19, 2019
Service Area	Finance and Administrative Services

His Worship Mayor Don Darling and Members of Common Council

SUBJECT: Financial and compliance audit report for the Funding Agreement with the province

OPEN OR CLOSED SESSION

This matter is to be discussed in open session of Common Council.

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	City Manager
<i>Jodie Forgie</i>	<i>Kevin Fudge</i>	<i>John Collin</i>

RECOMMENDATIONS

Common Council approve the Independent Practitioner's Reasonable Assurance Report on Compliance and supplementary reports provided to the City of Saint John by the auditors in relation to Provincial Funding Agreement dated March 15, 2018.

EXECUTIVE SUMMARY

On March 15, 2018 a funding agreement was entered between Her Majesty the Queen in Right of the Province of New Brunswick ("Province) and The City of Saint John ("City").

Section 6 of the funding agreement indicates that an audit is required to be performed which specifically states "The City agrees to provide the Province with a financial and compliance audit report by July 31 of each year of the Agreement....."

This report is to provide information on the audit work that was performed and to obtain approval of the reports to be submitted to the Province.

PREVIOUS RESOLUTION

N/A

REPORT

Based on the requirements of the funding agreement with the Province, the City was required to have an independent audit performed in relation to the funding agreement. The scope of work was determined between the City and the Province and the draft audit reports were reviewed by the Province to confirm that they are consistent with their expectations based on the requirements defined in the funding agreement.

The City hired an independent firm to perform the audit work and from the engagement the audit firm provided 3 separate reports:

1. Accountant's Report

The procedures of this report were performed in relation to the City's compliance with the terms of the funding agreement in connection with confirming no other financial assistance was received from other sources per Section 5.2 of the agreement as at December 31, 2018.

Key Results of the report: *"we found no exceptions"*

2. Report on Supplementary Matters Arising from an Audit Engagement

The City was required to provide budget to actual information for the December 31, 2018 year to the Province in the same presentation as provided within the funding agreement schedule D. The supplementary information provided by the City was prepared from the underlying audited financial statements of the City.

Key Results of the report: *"the details of the budget to actual revenues and expenditures contained in supplemental schedules were derived from the underlying account records, consistent with the audit of the financial statements for the City of Saint John on which we have issued an independent auditor's report, with an unqualified opinion, dated June 6, 2019".*

3. Independent Practitioner's Reasonable Assurance Report on Compliance

The City was required to provide employment reports for the December 31, 2018 year to the Province in the same presentation as provided within the funding agreement schedule E. The audit work performed was to provide an opinion on the City's compliance with the specified requirements set out in the funding agreement.

Key Results of the report: *"In our opinion, management's statement that the City of Saint John complied with the specified requirements established in the Funding Agreement as at December 31, 2018, is fairly stated, in all material respects".*

The City of Saint John will provide the final reports to the Province upon approval by Council for the December 31, 2018 reporting year.

STRATEGIC ALIGNMENT

This report aligns with Common Council's priorities of fiscal responsibility.

SERVICE AND FINANCIAL OUTCOMES

N/A

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

Human resources department and the Police Commission assisted with the audit requirements.

ATTACHMENT

- Accountant's Report
- Report on Supplementary Matters arising from an Audit Engagement
- Independent practitioner's reasonable assurance report on compliance
- Signed Funding Agreement