



## MUNICIPALITY OF THAMES CENTRE

**REPORT NO. CS-004-25**

**TO:** Mayor and Members of Council  
**FROM:** Director of Corporate Services  
**MEETING DATE:** April 7, 2025  
**SUBJECT:** 2024 KPMG Audit Plan

### RECOMMENDATION:

**THAT** Report No. CS-004-25 **BE RECEIVED** for information and feedback.

### PURPOSE:

The purpose of this report is to introduce the 2024 KPMG Audit Plan with the following key points:

- The audit plan is received annually from the auditor and sets out the work plan for the 2024 audit,
- Staff provide the auditor with supporting financial documents and KPMG audits them for completeness and accuracy,
- Professional audit standards require the auditor to discuss the views of fraud risk with those charged with governance; and
- There are new accounting standards that are required to adopt for the 2024 fiscal year.

### BACKGROUND:

The auditor, KPMG, is responsible for annually auditing the accounts and transactions of the municipality and expressing an opinion on the financial statements based on their audit work. To prepare for the audit, in consultation with staff, KPMG has developed its Audit Planning Report, which is attached (Appendix A) to this report.

The audit plan also sets out the nature and the extent of the work to be completed by KPMG. The Audit Planning Report addresses:

- Audit Highlights
- Audit Strategy
- Risk Assessment
- Key Milestones and Deliverables
- Audit Quality
- Independence

## COMMENTS:

Finance staff have reviewed the 2024 Audit Plan Report and discussed the audit plan with KPMG. Consistent with prior years, the town's finance department prepares a plan for closing the books for the current fiscal year, with the target of closing all 2024 financial operations by the end of April 2025.

Once the 2024 records are closed, finance staff prepare the municipality's unaudited financial statements and submit them to KPMG in association with other financial documents.

Upon completion of the audit, finance staff will present the financial statements to Council for approval at a Council meeting in September 2025. At this same meeting, KPMG will also present their Audit Findings Report.

Overall, the audit services will deliver:

1. Municipality of Thames Centre – Audit of consolidated financial statements;
2. Municipality of Thames Centre Trust Funds – Audit of financial statements;
3. Implementation of new accounting standards (PS 3400, Revenue; PS 3160 Public Private Partnerships; PSG-8 Intangible Assets); and
4. Implementation of new auditing standards (CAS 600 Revised special considerations – Audits of group financial statements).

In the addition to the above, the Municipality may receive an audit management letter that communicates significant internal control deficiencies and other audit-related matters discovered during an audit to management and those charged with governance, enabling them to address these issues and improve operations.

Some deficiencies, such as management's ability to override controls, are inherently in existence within all municipal entities. As per the Audit Plan, "Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities." Having said this, recommendations from the auditor are valued parameters to consider when managing the finances of the municipality.

In previous fiscal years, the municipality has not received management letters.

## FINANCIAL IMPLICATIONS:

The cost of the 2024 KPMG Audit is \$47,500 (plus taxes) for the financial statements of the municipality and the trust fund (Items 1 and 2 above). For the new accounting standards (Items 3 and 4), there may be an additional one-time fee.

## STRATEGIC PLAN LINK

**Pillar:** *Sustainability*

**Goal:** *Ensure that the Municipality maintains fiscal prudence, along with affordable and sustainable taxation levels*

## CONSULTATION:

None

## REFERENCES:

None

## ATTACHMENTS:

- KPMG Audit Plan for the Year Ending December 31, 2024.

Prepared by: C. D'Angelo, Director of Corporate Services and Treasurer

Reviewed by: D. Barrick, Chief Administrative Officer