
For Information

REPORT TITLE: 2019 Deloitte Audit Results Report

FROM: Stephen Van Ofwegen, Commissioner of Finance and Chief Financial Officer

OBJECTIVE

To provide the Audit and Risk Committee with a summary of the external audit results for both the Region of Peel and Peel Housing Corporation, as issued by our external auditors, Deloitte, for the year ending December 31, 2019.

REPORT HIGHLIGHTS

- Deloitte has recently completed the audits of the Region of Peel and Peel Housing Corporation 2019 financial statements.
 - The 2019 Deloitte Audit Results Report summarizes the scope of Deloitte's audit and the audit findings.
 - There is one uncorrected misstatement for the Region of Peel consolidated financial statements. Management have decided not to correct this difference, as management believes it is not material to the financial statements.
 - In 2019, there are no significant internal control deficiencies identified for both Region of Peel and Peel Housing Corporation.
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DISCUSSION

1. Background

On an annual basis, the external auditors conduct the audits of the Region of Peel and the Peel Housing Corporation, in accordance with general accepted auditing standards.

The external auditors are required to report to the Audit and Risk Committee their findings from the year-end audits.

2. Audit Results

The audits for the 2019 fiscal year have recently been completed and Deloitte has issued their annual audit results report which has been provided in Appendix I. The report highlights the scope of the audits, the main findings, audit risks identified, communication requirements and the Management Letters for both the Region and Peel Housing Corporation.

There is one uncorrected misstatement of \$38.5 million that was identified by the auditors relating to the reporting of tangible capital assets. This consists of linear assets that were

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disposed of in prior years, which would have resulted in a reduction to the tangible capital asset balance reported on the Statement of Financial Position in prior years.

Management have decided not to correct the opening balance in the 2019 financial statements, and rather recognize this as an expense in the current year with a related reduction in the tangible capital asset balance. Management feels that this difference, in their judgement, is not considered to be material to the financial statements.

On a go-forward basis, accounting staff has implemented a process whereby information is collected from public works staff in relation to any linear disposals that occurred during the year, to ensure these have been recorded correctly in the financial statements.

The auditors did not identify any significant deficiencies in internal controls or any corrected misstatements for both Region of Peel and Peel Housing Corporation during the 2019 audits.

Through the audit process, the auditors identified two recommendations related to internal control matters that have been brought to management's attention. The recommendations related to staff access to the Customer Care and Billing (CC&B) application system and the timely removal of network access for terminated employees. Management has responded to these recommendations and will be reviewing staff access to the CC&B application system and the practices and policies within IT regarding disabling accounts for terminated staff. The details of these recommendations and management's response are discussed further in the Region's Management Letter in Appendix I.

CONCLUSION

Deloitte's Audit Results report, attached as Appendix I, is presented for the Audit and Risk Committee's review.

APPENDICES

Appendix I – Report to the Audit and Risk Committee on the 2019 Audits

For further information regarding this report, please contact Stephanie Nagel, Director, Corporate Finance and Treasurer, Ext. 7105, stephanie.nagel@peelregion.ca.

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Reviewed and/or approved in workflow by:

Department Commissioner and Division Director.

Final approval is by the Chief Administrative Officer.



N. Polsinelli, Interim Chief Administrative Officer