

Overview of the Audit and Risk Committee Orientation 2023

Internal Audit and Corporate Finance Divisions
April 13, 2023

Agenda

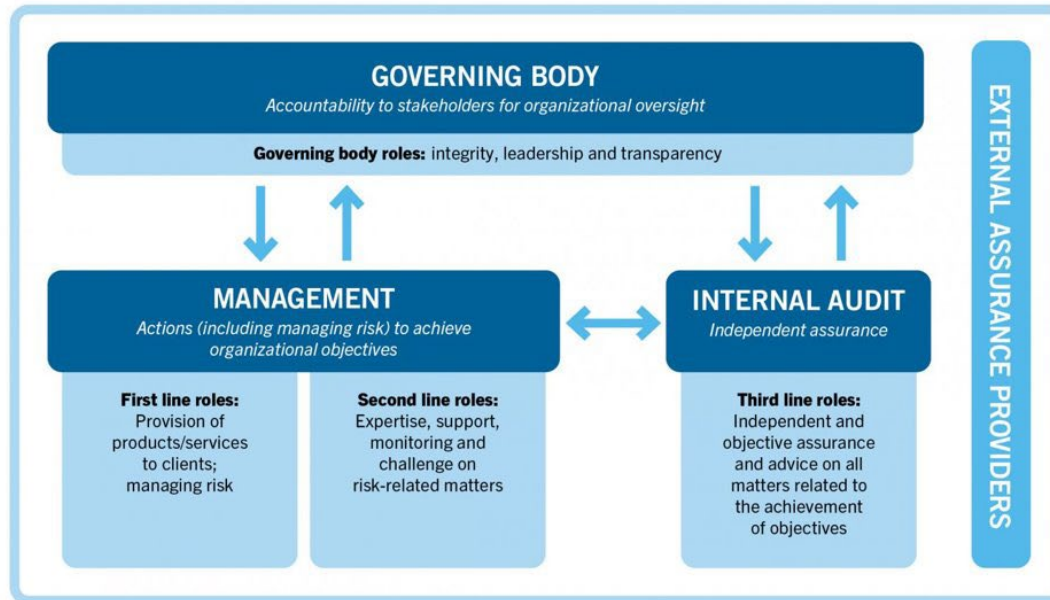
1. Introduction
2. The Three Lines Model
3. Audit and Risk Committee
4. Internal Audit
5. Finance/External Audit
6. Questions

Introduction

- Audit and Risk Committee
- Internal Audit
- Finance/External Audit

The Three Lines Model

The IIA's Three Lines Model (2020)



KEY: ↑ Accountability, reporting ↓ Delegation, direction, resources, oversight ↔ Alignment, communication coordination, collaboration

Audit and Risk Committee

- Assists Regional Council with governance, accountability and controllership
- Reviews and advises on the financial statements, risk management and control practices
- Assesses the performance of the internal audit activity
- Approves Internal Audit Work Plan, Corporate Risk Profile, Audit and Risk Committee Charter and Internal Audit Charter

How Internal Audit is Organized

- Purpose
- Authority
- Responsibility
- Independence
- Objectivity

Services Provided

- Assurance
- Advisory
- Fraud Investigation
- Enterprise Risk Management

Corporate Finance

- Accounting Services
- Financial System Development and Support
- Treasury Services
- Loss Management and Insurance Services
- Financial Policy and Development Financing
- Peel Housing Corporation Finance

Statutory Requirements-Treasurer and External Auditors

- Statutory requirements in *Municipal Act, 2001*:
 - Appointment of the Treasurer
 - Preparation of the Annual Financial Statements
 - Publication of the Annual Financial Statements
- Municipality shall appoint auditor responsible for:
 - Conducting annual audit of accounts and transactions of municipality and local boards
 - Performing duties required by municipality or local board
 - Licensed under *Public Accounting Act, 2004*

External Audit Contract

- Regional Council approved appointment of Deloitte for Peel & Peel Housing Corporation (2021-2025)
- Peel Housing Corporation formalizes appointment of Deloitte at the Annual General Meeting
- Deloitte external auditor for Peel & Peel Housing Corporation since 2016

Corporate Finance/External Auditor

- Corporate Finance:
 - Co-ordinates external audit
 - Ensures that external auditors receive all requested financial information
 - Prepares complete consolidated financial statements package
- External Auditor:
 - Independently audits transactions and records
 - Presents annual audit results report to Audit & Risk Committee
 - Signs annual Independent Auditor's Report which provides unqualified audit opinion

Canadian Award for Financial Reporting

- GFOA Canadian Award for Financial Reporting has been awarded annually for 17 years
 - GFOA Award was not applied for Fiscal Year 2020 due to COVID-19 (staff redeployed and other priorities during health emergency)
 - GFOA Award was applied for Fiscal Year 2021 - to report back
 - Recognizes excellence in governmental accounting and financial reporting

Upcoming Reporting

- 2022 Financial Statements and year-end reporting to Audit & Risk Committee on May 18, 2023
- Deloitte Partner will present the 2022 audit results including management letter
- Deloitte Annual Service Plan - to A&R Committee - Fall 2023
- Two new PSAB standards for the 2023 Fiscal Year (Asset Retirement Obligations and Financial Instruments Presentation)

Thank you

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