



Agenda No: 7.3

Mtg. Date: Oct 26, 2015

Regional Board Report

TO: Regional Board
FROM: Marilyn Rilkoﬀ
Director of Financial Services
DATE: October 13, 2015
SUBJECT: RDCO Audit and Financial Statements Review

Purpose: To get Board direction with regard to Audit Review and Financial Statement Presentation.

Executive Summary: In the past, there have been different methods of the Board providing direction with regard to Audit Review and Approval of Financial Statements:

1. Direct involvement by the entire Board, with the Auditors presenting all information to the entire Board.
2. Presentation by the auditors to the Audit Committee, which makes recommendations to the Board.
3. A hybrid of the above.

Staff are seeking clear direction as to this Board's preference for their involvement with the Audit process and presentation and approval of the financial statements.

RECOMMENDATION:

THAT all information with respect to the Audit and Financial Statements come directly to the Regional Board rather than via the Audit Committee.

Respectfully Submitted:


Marilyn Rilkoﬀ, Director of Financial Services

Approved for Board's Consideration


Brian Reardon, CAO

Implications of Recommendation:

Strategic Plan: Sustainability – best use of resources.

General: Provides entire Board with best understanding of audit and financial statement process for fiduciary duty.

Organizational: Effective and efficient.

Financial: Reduces duplication of effort and provides cost savings.

Policy: N/A

Legal/Statutory Authority: Financial Information Act and Local Government Act re: Approval of Financial Statements by Board.

Background: The RDCO Board has an Audit Committee and can choose to delegate their authority to the Audit Committee (under Community Charter Division 2 Part 6 (Audit) Section 170, via Local Government Act Division 5, Section 814(3)). However, the RDCO Board has always chosen to take responsibility as a whole, and approve all the statements and schedules in the Statement of Financial Information produced under the Financial Information Act.

Every member of the Board has a fiduciary duty, and should understand the financial statements and audit process, and have opportunities to ask questions of the auditors and staff.

In some years where the auditors have presented to the Audit Committee and staff has presented the Draft Financial Statements, all information was presented again to the entire Board as a whole, thus duplicating the process.

Financial Considerations: If the auditors are required to attend more meetings and do presentations, there is an additional cost.

Organizational Issues: In the past, presenting the information twice has not added a lot of value, as no changes to the statements were made, and the statements were not reviewed in any greater depth than with the entire Board.

External Implications: N/A

Alternative Recommendation:

THAT staff and auditors will present audit plans and reports, and Financial Statements to the Audit Committee first, with Audit Committee making recommendations to the Board,

AND THAT all information with then be presented to the Board.

OR,

THAT the Board delegate its powers, duties and functions under Community Charter Division 2 Part 6 (Audit) Section 170 via Local Government Act Division 5, Section 814(3) to the Audit Committee.