



Corporation of the Township of Edwardsburgh/Cardinal

2022 Audit Findings

Report to Council

December 31, 2022

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Overview

We are pleased to submit to you this Audit Findings Report (the "Report") for discussion of our audit of the financial statements of Corporation of the Township of Edwardsburgh/Cardinal and its subsidiaries (the "Township") as at December 31, 2022 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of Council.

As auditors, we report to the Members of Council, Inhabitants and Ratepayers on the results of our examination of the financial statements of the Township as at and for the year ended December 31, 2022. The purpose of this Report is to assist you, as members of Council, in your review of the results of our audit.

This Report is intended solely for the information and use of Council and management and should not be distributed to or used by any other parties than these specified parties.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Engagement Status

We have completed our audit of the financial statements of the Township which has been carried out in accordance with Canadian generally accepted auditing standards and are prepared to sign our Independent Auditor's Report subsequent to completion of the following procedures:

- Receipt of the signed management representation letter;
- Council's review and approval of the financial statements.

No significant limitations were placed on the scope or timing of our audit.

Independent Auditor's Report







We expect to have the above procedures completed and to release our Independent Auditor's Report on May 29, 2023.




Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the Members of Council, Inhabitants and Ratepayers of the Township. A draft copy of our proposed Independent Auditor's Report has been included with this report. The matters disclosed in the Independent Auditor's Report are discussed further in the relevant sections of the Report.

Audit Reporting Matters

Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the financial statements considered separately.

Significant Audit, Accounting and Reporting Matters

Area		Comments
	Changes from Audit Service Plan	There were no deviations from the Audit Service Plan previously presented to you.
	Final Materiality	Final materiality used for our audit was \$560,000 for December 31, 2022, and \$450,000 for December 31, 2021.
	Identified or Suspected Fraud	While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected fraud, came to our attention in the course of our audit.
	Identified or Suspected Non-Compliance with Laws and Regulations	Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the financial statements.
	Matters Arising in Connection with Related Parties	No significant matters arose during the course of our audit in connection with related parties of the Township.
	Auditor's Views of Significant Accounting Practices, Accounting Policies and Accounting Estimates	<p>The application of Canadian public sector accounting standards allows and requires the Township to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.</p> <p>As auditors, we are uniquely positioned to provide open and objective feedback regarding your Township's accounting practices.</p> <p>The accounting policies used by the Township are</p>

Area		Comments
		<p>appropriate and have been consistently applied.</p> <p>The most significant estimate relates to the closure and post-closure liability. This has been determined by a specialist in 2016 and has been reduced over the years by actual amounts spent. There has been no change in circumstances in the year that would result in a change in estimate made. The estimate and related expense are properly disclosed in the financial statements.</p>
	Financial Statement Disclosures	The disclosures made in the notes to the financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the financial statements.
	Significant Deficiencies in Internal Control	While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, we have not detected significant deficiencies in internal controls.
	Matters Arising From Discussions with Management	There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.

Significant Risk Areas and Responses

Significant Risk Area	Response and Conclusion
Revenues Revenue could be pre recorded or delayed to meet budget	Test accounts receivable balance with a high risk factor and post year end cash collections at 10% of materiality for revenue. No exceptions noted. Revenues are fairly stated.
Expenses Expenses could be pre recorded or delayed to meet budget	Test accounts payable balance with a high risk factor and post year end cash disbursements at 10% of materiality. No exceptions noted. Expenses are fairly stated.

Other Areas

Area	Comments
Auditor Independence	We confirm to Council that we are independent of the Township. Our letter to Council discussing our independence is included as part of the additional materials attached to this report.
Management Representations	We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit. This letter, provided by management, has been included as additional material to this report.
Summary of Significant Differences	A few significant differences were proposed to management with respect to the December 31, 2022 financial statements.

We appreciate having the opportunity to meet with you and respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Sincerely,



Chartered Professional Accountants
Licensed Public Accountants

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May 29, 2023

Members of Council
Corporation of the Township of Edwardsburgh/Cardinal
P.O. Box 129
18 Centre Street
Spencerville, ON K0E 1X0

Dear Sirs/Mesdames:

We have been engaged to audit the financial statements of Corporation of the Township of Edwardsburgh/Cardinal (the "Municipality") as at December 31, 2022 and for the year then ended.

CAS 260 *Communication With Those Charged With Governance* requires that we communicate with you matters that are significant to our engagement. One such matter is relationships between the Municipality and its related entities or persons in financial reporting oversight roles at the Municipality and MNP LLP and any affiliates ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, the Standard requires us to consider relevant rules and related interpretations prescribed by the appropriate professional accounting body and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client or a related entity;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client or a related entity;
- (d) Economic dependence on a client; and
- (e) Provision of non-assurance services in addition to the audit engagement.

We are not aware of any relationship between the Municipality and MNP that, in our professional judgment, may reasonably be thought to bear on our independence, which have occurred from January 1, 2022 to May 29, 2023.

We hereby confirm that MNP is independent with respect to the Municipality within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario as of May 29, 2023.

This report is intended solely for the use of Members of Council, management and others within the Municipality and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Sincerely,

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

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