



City of Greater Sudbury

Audit Findings Presentation
Year Ended December 31, 2017



Auditors' Opinion



KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the City of
Greater Sudbury

We have audited the accompanying consolidated financial statements of the City of Greater Sudbury, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects the financial position of the City of Greater Sudbury as at December 31, 2017, and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

Date

- Unqualified or 'clean' audit opinion
- Represents the highest level of assurance available under Canadian auditing standards
- Based on materiality of \$11.1 million and a posting threshold of \$550,000



Key Areas of Audit Risk

- Revenue recognition
- Capital additions
- Management estimates
- Financial reporting (fraud risk)
- Control overrides (fraud risk)

Procedures Performed

- Control testing
- Substantive testing
- Substantive analysis
- Evaluation of management experts
- Value-added procedures

Overall Audit Findings

- Clean audit differences summary
 - No identified audit differences above our posting threshold
- Good cooperation and support from management and staff
- Able to execute our audit as planned
- No identified weaknesses in internal controls over financial reporting



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