



The Corporation of the County of Essex

**Audit Findings Report
For the year ended December 31, 2017**

KPMG LLP

June 28, 2018, for presentation on July 18, 2018

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Executive summary

Purpose of this report

The purpose of this Audit Findings Report is to assist you, as a member of Council, in your review of the results of our audit of the consolidated financial statements of the Corporation of the County of Essex (“the Corporation”) as at and for the year ended December 31, 2017; including the Essex County Civic and Education Centre and the Essex County Library Board

Changes from the Audit Plan

There have been no significant changes regarding our audit from the audit plan discussed with management.

Audit risks and results

Fraud risk from revenue recognition and management override of controls:

These are presumed fraud risks set out by professional standards.

Procedures performed:

- Testing of manual journal entries
- Performing a retrospective review of estimates
- Evaluating the business rationale of significant unusual transactions

We are satisfied that our audit work has appropriately dealt with fraud risks and there were no indicators of fraud.

Adjustments and differences

We did not identify differences that remain uncorrected.

We did not identify any adjustments that were communicated to management and subsequently corrected in the consolidated financial statements.

Finalizing the audit

As of June 28, 2018, we have completed the audit of the consolidated financial statements, with the exception of certain remaining procedures, which include amongst others:

- Receipt of the signed management representation letter
- Receipt of legal letter responses
- obtaining evidence of Council’s approval of the consolidated financial statements.

Our auditors’ report will be dated upon the completion of any remaining procedures.

Executive summary (continued)

Control and other observations

We did not identify any control deficiencies that we determined to be significant deficiencies in ICFR.

Critical accounting estimates

Overall, we are satisfied with the reasonability of critical accounting estimates.

Independence

We are independent with respect to the Corporation (and its related entities), within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any other standards or applicable legislation or regulation.

Significant accounting policies and practices

There have been no initial selections of, or changes to, significant accounting policies and practices to bring to your attention.

Dealings with Administration

- We received the full cooperation of Administration and employees and, to our knowledge, had complete access to the accounting records and other documents that we needed in order to carry out our audit.
- We had no disagreements with Administration, and we have resolved all auditing, accounting and presentation issues to our satisfaction.

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