



MINUTES
SPECIAL COMMITTEE OF THE WHOLE
Tuesday, August 10, 2021
8:00 a.m.

Council met electronically as permitted by the City of Kenora Procedural bylaw. Citizens and our Media Partners are encouraged to view the public meeting via the Public Live Stream Event at:

<https://video.isilive.ca/kenora/2021-08-10-SCOTW.html>

Present: Mayor D. Reynard
Councillor G. Chaze
Councillor R. McMillan
Councillor A. Poirier
Councillor S. Smith
Councillor C. Van Wallegghem

Regrets: Councillor M. Goss

Staff: Kyle Attanasio, CAO, Heather Pihulak, Director of Corporate Services/City Clerk, Charlotte Edie, Director of Finance, Kevin Gannon, Director of Engineering & Infrastructure, Stace Gander, Director of Community Services

Call Meeting to Order

Mayor Reynard called the meeting to order at 8:00 a.m.

Blessing & Land Acknowledgement

Delivered by Councillor Chaze

As we gather, we recognize that we are on Treaty Three Lands which are steeped in rich Indigenous history and home to many First Nations and Metis people today. We continue to be thankful for the partnerships with our Indigenous people.

We give thanks for the many blessings we enjoy in the City of Kenora. We seek wisdom in our minds, clearness in our thinking, truth in our speaking and always love in our hearts, so that we may try always to unite the Citizens of Kenora. Let these principles guide us in our decision making.

Public Notices

Take Notice that as required under Notice By-law #144-2007, Council intends to adopt the following items at this Special Meeting of Council:

N/A

Declaration of Pecuniary Interest & General Nature thereof

i) On Today's Agenda

- ii) From a Meeting at which a Member was not in Attendance
There were none declared.

Deputations

None.

1. Presentation by Auditors of 2020 Annual Report & Audited Financial Statements

Mayor Reynard welcomed the City Auditors Marty & Cathy Nelson of MNP to present the 2020 annual report and audited financial statements.

Cathy Nelson summarized the statements and provided discussion of their audit of the consolidated financial statements of The Corporation of the City of Kenora and its subsidiaries (the "Municipality") as at December 31, 2020 and for the year then ended.

Management is responsible for the preparation and fair presentation of the 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. In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

In the report they cover those significant matters which Council should be aware of as members of Council. As auditors, they report to the Members of Council, Citizens and Ratepayers, on the results of our examination of the consolidated financial statements of the Municipality as at and for the year ended December 31, 2020. The purpose of the report is to assist Council, in your review of the results of their audit.

They expect to have everything completed and release their Independent Auditor's Report on August 24, 2021. Unless unforeseen complications arise, their Independent Auditor's Report will provide an unmodified opinion to the Members of Council, Citizens and Ratepayers, of the Municipality. A draft copy of our proposed Independent Auditor's report has been included. Their audit was carried out in accordance with Canadian generally accepted auditing standards.

There were no deviations from the Audit Service Plan previously presented to Council. Final materiality used for our audit was \$1,715,000 for December 31, 2020, and \$1,440,000 for December 31, 2019. While their 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 their audit. Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the consolidated financial statements.

MNP must declare any conflicts that may be perceived. They are making the City aware of the following relationships between the Municipality and MNP that, in their professional

judgment, may reasonably be thought to bear on our independence. The following relationships represent matters that have occurred from February 1, 2021 to August 24, 2021. Rob Edie, a Manager in our Kenora office, is the brother-in-law to Charlotte Edie, Treasurer for the City of Kenora. Rob was not part of the engagement team and the Peer reviewer was from another office. Josh Clifford, a CPA Articling student in MNP Kenora office, is the son of Shaun Clifford, employed by the City in the capacity of "Parks and Facilities Manager". Shaun has no management decision making capacity. We will ensure Josh will be reviewed by an audit senior or manager of the audit. MNP has tendered on the purchase of a surplus building from the City of Kenora. The tender was made through a competitive bidding process with multiple offers from various bidders. MNP involved independent advisors to assist in developing a bid price and in submitting the bid. The audit team was not involved throughout the purchase process. The building is not significant to either MNP or the City. We have reviewed the independence rules governing our profession, and have concluded that these potential conflicts are not a threat to their independence that would preclude them from being the organization's auditor. They have structured the audit team and implemented these safeguards to mitigate these potential independence threats.

Cathy thanked all the finance staff for their diligence in the audit and the leadership and professionalism of the Treasurer.

Meeting adjourned at 9:00 a.m.