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## Accountants' Report on Applying Specified Auditing Procedures

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### To the City of Kenora Police Costing Review Committee

As specifically agreed, we have performed the auditing procedures described in Appendix A to assist the City of Kenora Police Costing Review Committee in determining the accuracy of the information contained in the Final Report prepared by John E. Watkins, Consultant on Police Services Inc. dated January 10, 2008. This engagement to apply agreed-upon auditing procedures was performed in accordance with standards established by the Canadian Institute of Chartered Accountants. The sufficiency of these procedures is solely the responsibility of the City of Kenora Police Costing Review Committee and the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

The results of applying the specified procedures are documented in Appendix A. These procedures do not constitute an audit of the Final Report dated January 10, 2008 and, therefore, we express no opinion on the Final Report. Further, we do not express any opinion on the Consultant's assumptions used in the report or his recommendation. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is for use solely by the City of Kenora Police Costing Review Committee and is not intended to be and should not be used by anyone else or for any other purpose.

*BDO Dunwoody LLP*

Chartered Accountants, Licensed Public Accountants

Kenora, Ontario  
January 17, 2008

## **Appendix A Specified Audit Procedures**

We have read the Final Report prepared by John E. Watkins, Consultant on Police Services Inc. dated January 10, 2008 addressed to the City of Kenora Police Costing Review Committee insofar as it pertains to financial information quantified in the report.

**Pages 45 and 46 were not included in the report we received.**

We have agreed the Ontario Provincial Police financial information in the Final Report to the financial information provided by the Ontario Provincial Police in their City of Kenora Contract Policing Proposal dated November 30, 2007 and OPP Costing Summaries as amended.

**No discrepancies were noted.**

We have agreed the Kenora Police Service financial information in the Final Report to the financial information provided by the Kenora Police Service in their Proposal for Policing in the City of Kenora dated November 30, 2007 and Tables 2 and 3 Salaries and Benefits as amended.

**No discrepancies were noted.**

We have verified the mathematical accuracy of the Consultants financial calculations in the Final Report.\* No attempt was made to quantify the impact of severance entitlements noted on Page 18 of the Report and administrative cost savings noted on Page 25, which could have a significant impact on the financial findings.

**We noted the following discrepancies in calculations:**

**The \$310,653 reported on Page 33 paragraph two should read \$330,620.**

**The percentage calculation noted on Page 28 paragraph five of 6.47% is misleading in that the overtime rate used by the Kenora Police Service in their proposal is 10.2% of total salaries.**

**These discrepancies do not impact the Summary of Cost Statements and Direct Operating Expenses (Page 29), One-Time Start Up Costs (Page 30) and Financial Summary of Proposals (Page 33) as the numbers were not carried forward to these schedules/sections.**

\* Differences of \$1 are considered trivial for purposes of reporting and have not been noted as discrepancies.