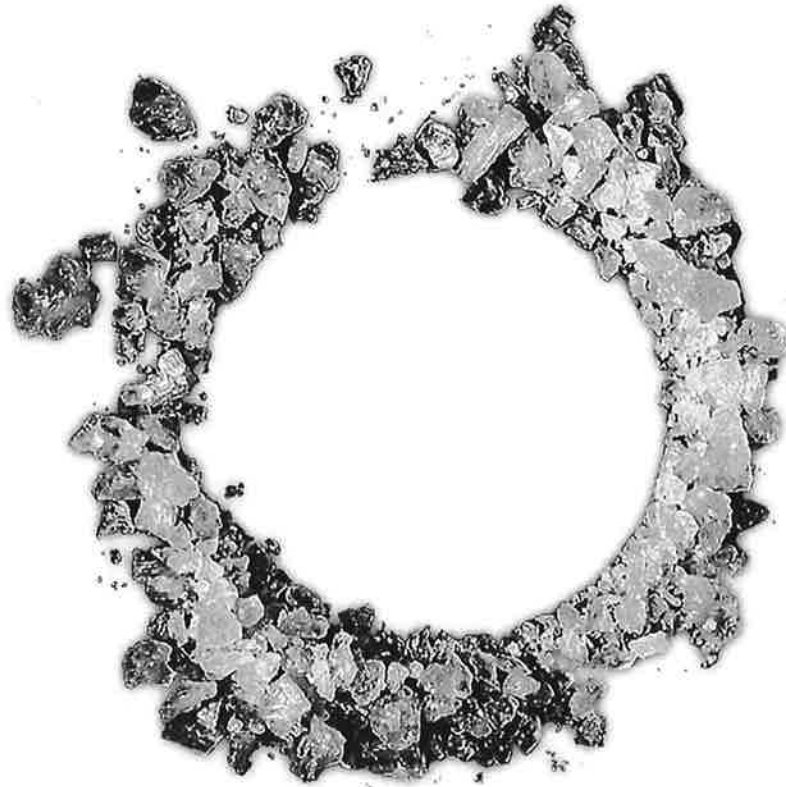


**Deloitte.**



**The Corporation of the Township of Uxbridge**  
**2022 Audit service plan**

For the year ended December 31, 2022

To be presented to the General Purpose and Administration Committee on January 16, 2023

# Table of contents

Executive summary	1
Deloitte's Next Normal	3
Significant audit risks	4
Appendix 1 – Audit approach	5
Appendix 2 – Communication requirements	7
Appendix 3 – New and Revised Public Sector Accounting Standards	9
Appendix 4 – Deloitte resources a click away	10

## Fraud risk

We will develop our audit strategy to address the assessed risks of material misstatement due to fraud. Determining this strategy will involve:

1. Enquiry of those involved in the financial reporting process about inappropriate or unusual activity.
2. Testing a sample of journal entries throughout the period as well as adjustments made at the end of the reporting period.
3. Identifying and obtaining an understanding of the business rationale for significant or unusual transactions that are outside the normal course of business.
4. Evaluating whether your accounting policies may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
5. Evaluating whether the judgements and decisions related to management estimates indicate a possible bias.
6. Incorporating an element of unpredictability in selecting our audit procedures.

We will ask the Committee for their views about the risk of fraud, whether they know of any actual or suspected fraud affecting the Township and their role in the oversight of Township's anti-fraud programs.

If we suspect fraud involving Township management, we will immediately inform the Committee of our suspicions and discuss the nature, timing, and extent of audit procedures necessary to complete the audit.

## Use of the work of specialists

We intend to rely on the work of the following specialist during our audit:

- **Township's independent actuary**

We intend to use the work of the Township's independent actuary in their determination of the Township's post-employment benefits liabilities and expenses. We will review and test data and key assumptions used in the actuarial valuation and related extrapolations, ensure the disclosure in the Financial Statements complies with PSAS requirements and that the actuary is in good standing with the Canadian Institute of Actuaries.

If our assessment does not provide us with sufficient, appropriate audit evidence, we will need to perform additional audit procedures to address the risks of material misstatements in the Financial Statements.

# Significant audit risks

The following table sets out the significant audit risks that we identified during our preliminary planning activities, including our proposed response to each risk.

Our planned audit response is based on our assessment of the likelihood of a risk's occurrence, the significance should a misstatement occur, our determination of materiality and our prior knowledge of the Township.

## Revenue recognition

### Significant audit risk

Canadian GAAS include the presumption of a fraud risk involving improper revenue recognition.

### Our proposed audit response

- Test the design and implementation of key internal controls related to revenue recognition.
- Perform audit testing to determine if restricted contributions (i.e., development charges), and government transfers/grants have been recognized appropriately (revenue vs. deferred revenue) in the proper period.
- Review management's assessments and underlying assumptions for accounting estimates.

## Management override of controls

### Significant audit risk

Under Canadian GAAS, it is the responsibility of the management, with the oversight of those charged with governance, to place a strong emphasis on fraud prevention and detection.

Oversight by those charged with governance includes considering the potential for override of controls or other inappropriate influence over the financial reporting process.

Management override of controls is present in all entities. It is a risk of material misstatement resulting from fraud and therefore is considered as a significant audit risk.

### Our proposed audit response

- Engage in periodic fraud discussions with those involved in the financial reporting process.
- Consider the potential for bias in judgments and accounting estimates, including performing retrospective analysis of significant accounting estimates.
- Evaluate the business rationale for any significant and/or unusual transactions.
- Evaluate the Township's fraud risk assessment and consider entity-level internal controls and internal controls over the closing and reporting process.
- Test journal entries that exhibit characteristics of possible management override of controls, identified using manual techniques.

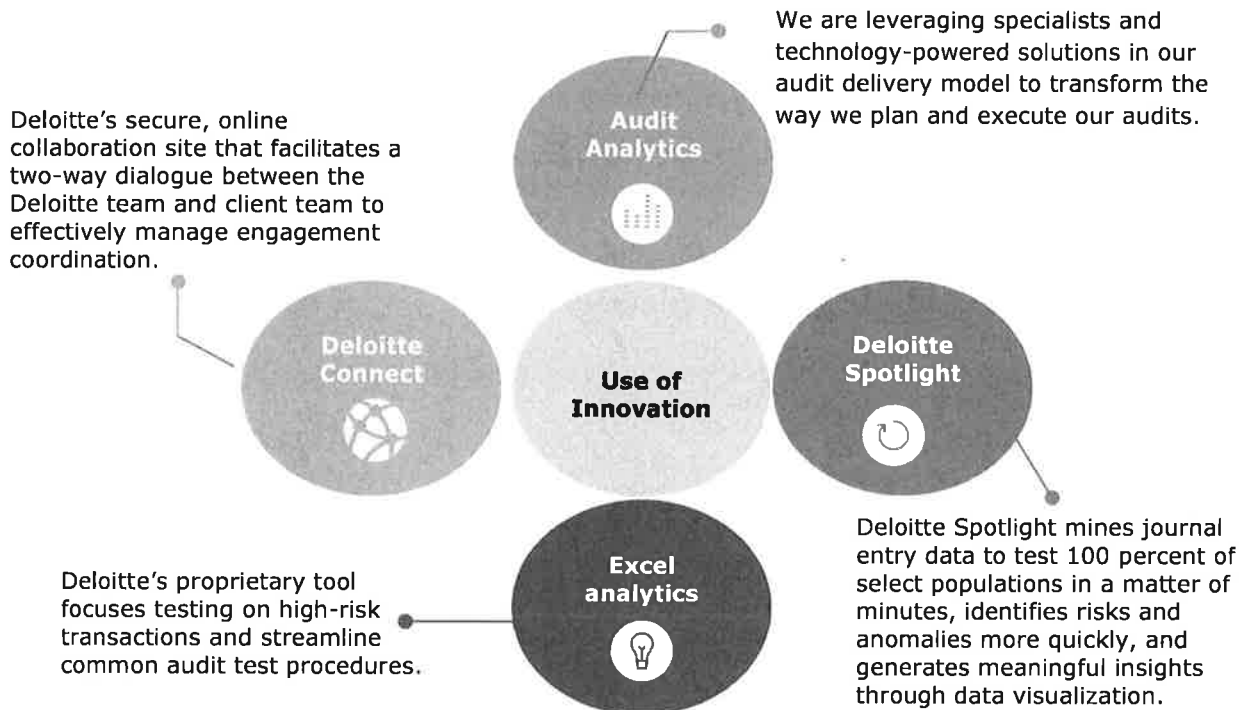
As we perform our audit procedures, we will inform you of any significant changes to the aforementioned significant audit risks and the reasons for those changes.



## Innovating our audit approach

### Focus area

<b>Audit technology</b>	<ul style="list-style-type: none"> <li>• <b>Deloitte Connect</b> – Consider use of Deloitte’s secure, online collaboration site to facilitate a two-way dialogue between the Deloitte team and the Township team to effectively manage engagement coordination and provide greater transparency allowing both management and auditor visibility over client request status.</li> </ul>
<b>Processes</b>	<ul style="list-style-type: none"> <li>• <b>Project management</b> - Enhance project management oversight and effective communications between the audit team and management.</li> </ul>



19. Matters involving non-compliance with laws and regulations that come to our attention, unless prohibited by law or regulation, including illegal or possibly illegal acts that come to our attention	CAS 250.23
20. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the financial statements	CAS 265
21. Uncorrected misstatements and disclosure items	CAS 450.12-13,
22. Any significant matters arising during the audit in connection with the Township's related parties	CAS 550.27

# Appendix 4 – Deloitte resources a click away

At Deloitte, we are devoted to excellence in the provision of professional services and advice, always focused on client service. We have developed a series of resources, which contain relevant and timely information.

<input type="checkbox"/> <b>Centre for financial reporting</b> ( <a href="https://www.iasplus.com/en-ca/standards">https://www.iasplus.com/en-ca/standards</a> )	Web site designed by Deloitte to provide the most comprehensive information on the web about financial reporting frameworks used in Canada.
<b>Target audience</b> <ul style="list-style-type: none"><li>• Directors and CEO/CFO</li><li>• Controller and Financial reporting team</li></ul>	
<input type="checkbox"/> <b>Deloitte Viewpoints</b> ( <a href="https://www.iasplus.com/en-ca/tag-types/deloitte-viewpoints">https://www.iasplus.com/en-ca/tag-types/deloitte-viewpoints</a> )	Electronic communications that helps you to stay on top of standard-setting initiatives impacting financial reporting in Canada.
<b>Target audience</b> <ul style="list-style-type: none"><li>• CFO</li><li>• Controller and Financial reporting team</li></ul>	
<input type="checkbox"/> <b>CFO's corner</b> ( <a href="https://www.iasplus.com/en-ca/cfos-corner">https://www.iasplus.com/en-ca/cfos-corner</a> )	Editorial providing insights into key trends, developments, issues and challenges executives face, with a Deloitte point of view.
<b>Target audience</b> <ul style="list-style-type: none"><li>• CFO and VP Finance</li><li>• Controller and Financial reporting team</li></ul>	
<input type="checkbox"/> <b>Deloitte Dbriefs</b> ( <a href="https://www.iasplus.com/en-ca/dbriefs/webcasts">https://www.iasplus.com/en-ca/dbriefs/webcasts</a> )	Learning webcasts offered throughout the year featuring our professionals discussing critical issues that affect your business.
<b>Targeted audience</b> <ul style="list-style-type: none"><li>• CFO and VP Finance</li><li>• Controller and Financial reporting team</li></ul>	