



Audit Committee

Council Chamber
9909 Franklin Avenue, Fort McMurray

Tuesday, September 20, 2016
4:00 p.m.

Agenda

Call to Order

1. Adoption of the Agenda
2. Minutes of Audit Committee Meeting - April 20, 2016

New and Unfinished Business

3. Appointment of External Auditor – 2017 Year End
4. 2016 External Audit Service Plan - Deloitte LLP
5. Expense Summary – Council and Office of the Chief Administrative Officer (CAO) – Period Ending June 30, 2016
6. Policy Update Log
7. Next Meeting Date

Adjournment

Unapproved Minutes of a Meeting of the Audit Committee held in the Council Chamber at the Municipal Offices in Fort McMurray, Alberta, on Wednesday, April 20, 2016, commencing at 4:00 p.m.

Present: T. Ault, Chair
S. Germain, Councillor
J. Stroud, Councillor

Administration: M. Ulliac, Chief Administrative Officer
B. Couture, Executive Director
E. Hutton, Executive Director
D. Leflar, Chief Legislative Officer
J. Brown, Supervisor, Legislative and Administrative Support
S. Harper, Legislative Officer

Call to Order

Chair T. Ault called the meeting to order at 4:03 p.m.

1. Adoption of the Agenda

Moved by Councillor J. Stroud that the agenda be adopted as presented.

CARRIED UNANIMOUSLY

2. Minutes of the Audit Committee meeting - February 4, 2016

Moved by Councillor J. Stroud that the Minutes from the Audit Committee meeting held on February 4, 2016 be approved as presented.

CARRIED UNANIMOUSLY

New and Unfinished Business

3. Next Meeting Date
(4:05 p.m. – 4:06 p.m.)

Moved by Councillor J. Stroud:

- That the next Audit Committee meeting be held on Thursday July 7, 2016 at 5:00 p.m. in the Council Chamber; and
- That the resolution passed by the Audit Committee on February 4, 2016 establishing the meetings of the Audit Committee on a quarterly basis on the second Tuesday of the month at 4:00 p.m. be rescinded.

CARRIED UNANIMOUSLY

4. Audit Committee Terms of Reference
(4:07 p.m. – 4:29 p.m.)

Ralph Timleck, Municipal Auditor; and Mark Power, Acting Manager of Compliance and Control, provided a presentation on the Audit Committee Terms of Reference.

Moved by Councillor S. Germain that the following be recommended for Council approval:

- That Audit Committee Terms of Reference (as set out in Attachment 1, dated April 20, 2016) be approved, in principle; and
- That Administration bring forward an amendment to the Standing Council Committees Bylaw to incorporate the provisions of the Audit Committee Terms of Reference.

CARRIED UNANIMOUSLY

5. Policy Update Log

(4:30 p.m. – 4:38 p.m.)

Marcel Ulliac, Chief Administrative Officer, provided a brief update on the Accountability, Integrity and Transparency Audit, and the progress made to date on the recommendations coming out of that Audit.

6. Expense Summary – Council and Office of the Chief Administrative Officer - Period Ending March 31, 2016

(4:39 p.m. – 4:41 p.m.)

Moved by Councillor J. Stroud that the Expense Summary for Council and the Office of the Chief Administrative Officer (CAO) for the period January 1-March 31, 2016 be received as information.

David Leflar, Chief Legislative Officer, provided a brief introduction to the Expense Summaries for Council and the Chief Administrative Officer and the new reporting format.

CARRIED UNANIMOUSLY

7. Presentation of the 2015 Non-Consolidated Financial Statements

- Regional Municipality of Wood Buffalo
- Regional Recreation Corporation
- Wood Buffalo Housing and Development Corporation
- Regional Municipality of Wood Buffalo Library Board
- Business Arising: 2015 Non-Consolidated Financial Statements

(4:42 p.m. – 5:47 p.m.)

Linda Ollivier, Acting Director of Financial Services; and Pat Sibilleau, Manager of Financial Planning, provided a presentation on the 2015 Non-Consolidated Financial Statements for the Regional Municipality of Wood Buffalo.

Bruno Francoeur, Board Chair; and Maureen Gravelle, Chief Financial Officer, Regional Recreation Corporation, provided a presentation on the 2015 Financial Statements for the Regional Recreation Corporation.

Bryan Lutes, President; Doug Allen, Treasurer; and Greg Elsasser, Chief Financial Officer, Wood Buffalo Housing and Development Corporation, provided a presentation on the 2015 Financial Statements for the Wood Buffalo Housing and Development Corporation.

Melissa Flett, Acting Director, Wood Buffalo Regional Library, provided a presentation on the 2015 Financial Statements for the Wood Buffalo Regional Library.

Moved by Councillor J. Stroud that the Audit Committee accept the presentation of the 2015 Non-Consolidated Financial Statements for the Regional Municipality of Wood Buffalo for the year ended December 31, 2015 as information.

CARRIED UNANIMOUSLY

8. **2015 Audited Consolidated Financial Statements**
- **Presentation from Regional Municipality of Wood Buffalo**
- **Presentation from Deloitte LLP**
- **Business Arising: 2015 Audited Consolidated Financial Statements**
(5:48 p.m. – 5:56 p.m.)

Linda Ollivier, Acting Director of Financial Services, provided a brief presentation on the 2015 Audited Consolidated Financial Statements for the Regional Municipality of Wood Buffalo.

Rachel Gosse, Deloitte LLP and External Auditor, provided a further presentation and explanation on the process followed in developing the 2015 Audited Consolidated Financial Statements.

Moved by Councillor J. Stroud that the 2015 Audited Consolidated Financial Statements for the Regional Municipality of Wood Buffalo for the year ended December 31, 2015, be accepted as information.

CARRIED UNANIMOUSLY

Motion to Move In Camera

Moved by Councillor S. Germain that the Audit Committee meeting move in camera pursuant to Section 24 of the Freedom of Information and Protection of Privacy Act.

CARRIED UNANIMOUSLY

9. **2015 External Audit Results and Management Letter**

10. **Private Discussion with External Auditors**

Motion to Reconvene in Public

Moved by Councillor S. Germain that the meeting reconvene in public.

CARRIED UNANIMOUSLY

The Audit Committee met in camera from 5:57 p.m. to 6:41 p.m.

Adjournment

As all scheduled business matters had been concluded, Chair T. Ault declared the meeting adjourned at 6:42 p.m.

Chair

Chief Legislative Officer

Subject: Appointment of External Auditor – 2017 Year End**APPROVALS:**

Linda Ollivier, Director
Elsie Hutton, Executive Director
Marcel Ulliach, Chief Administrative Officer

Administrative Recommendations:

THAT the following be recommended to Council for approval:

1. THAT Deloitte LLP be reappointed as external auditor for the Regional Municipality of Wood Buffalo, Wood Buffalo Regional Library, Regional Recreation Corporation and Wood Buffalo Housing & Development Corporation for the December 31, 2017 year end audit.
2. THAT Administration be authorized to enter into a one year contract extension for the provision of external audit services for the December 31, 2017 year end by Deloitte LLP.
3. THAT Administration prepare and issue a Request for Proposal (RFP) for the provision of external auditing services commencing December 31, 2018.

Summary:

The *Municipal Government Act* (MGA), Section 280 requires each Council to appoint an auditor for the Municipality and for each of its controlled corporations.

Background:

Council had appointed Deloitte LLP on September 13, 2011 as the external auditor for an initial five year term renewable for a maximum of two – one year terms renewed annually, (seven years maximum) subject to Council approval.

2011 Council resolution extract:

“That Deloitte & Touche LLP (Deloitte) be appointed as external auditor for the Regional Municipality of Wood Buffalo, the Fort McMurray Public Library, MacDonald Island Park Corporation and Wood Buffalo Housing and Development Corporation; and

That Administration be authorized to enter into a five (5) year contract renewable for a maximum of two – one year terms renewed annually (7 years in total) for the provision of external audit services by Deloitte & Touche LLP”.

Deloitte LLP completed the initial five year term at the end of the 2015 fiscal year-end. A one year extension for the 2016 fiscal year-end audit was approved by Council on October 20, 2015. The 2017 fiscal year-end audit will be the final term of this contract.

Deloitte LLP has provided satisfactory performance to date and has full knowledge of municipal systems and processes as well as other related entities. Administration is of the opinion that the Deloitte LLP contract should be renewed for a period of one year in line with the original 2011 Council mandate.

Consideration was given to the New West Partnership Trade Agreement (NWPTA), the rules that govern municipal procurement which no longer exempt audit services from an open, transparent and competitive procurement process in order to ensure that external audit services are obtained on a competitive basis. Administration is recommending extension of audit services by one year in accordance with the initial Council resolution to maintain efficiencies, leveraging on their knowledge of our processes, systems and ensuring continuity at competitive pricing. Deloitte LLP representatives have built a rapport with members of Council and board members of the subsidiaries.

Deloitte LLP is one of the world's leading accounting firms with over 170,000 employees in 140 countries. The firm is licensed and in good standing with the Institute of Chartered Accountants of Alberta (ICAA). Deloitte LLP has experience with municipalities of comparative, larger size and operation.

Budget/Financial Implications:

The Municipality will continue with a contract extension based on approval of the annual audit plan. The option to enter into a contract extension of a maximum of one year term renewal would be subject to Council approval.

Funding will be included in future Municipal budgets.

Rationale for Recommendations:

Based on satisfactory performance to date from the Deloitte LLP, exercising the option in the initial Council resolution of a one year renewal is in the best interest of the Municipality by leveraging efficiencies with knowledge of our processes, systems, staff and ensuring continuity at a competitive pricing.

Strategic Plan Linkage:

Pillar 1 – Building Responsible Government



Subject: 2016 External Audit Service Plan – Deloitte LLP

APPROVALS:

Linda Ollivier, Director
Elsie Hutton, Executive Director
Marcel Ulliac, Chief Administrative Officer

Administrative Recommendation:

THAT the 2016 External Audit Service Plan as provided by the external Auditors, Deloitte LLP, be approved.

Summary:

The *Municipal Government Act* requires that every Alberta Municipality prepare and submit a Financial Information Return and Audited Financial Statements by May 1 of each year for the preceding year. The audit process begins with the audit plan which details the scope and the time frame for the planned audit.

The review of the Audit Service Plan, will provide the opportunity for members of the Audit Committee to understand the scope and timelines for the audit. The Audit Committee may also identify areas of additional audit review.

Background:

Financial information from the Regional Recreation Corporation of Wood Buffalo, the Wood Buffalo Regional Library, and the Wood Buffalo Housing and Development Corporation will be audited by Deloitte LLP and consolidated within the Regional Municipality of Wood Buffalo Financial Statements.

The Audit Service Plan is for the audit of the December 31, 2016 Consolidated Regional Municipality of Wood Buffalo Financial Statements. These statements include Regional Municipality of Wood Buffalo controlled subsidiaries. However, separate Audit Service Plans are issued to the respective Audit Committees for stand-alone audits of the subsidiaries.

Rationale for Recommendation:

Section 276 of the *Municipal Government Act* requires that all municipalities prepare and submit Annual Financial Statements and the Auditor's report by May 1 of each year for the immediate preceding year.

Strategic Plan Linkage:

Pillar 1 – Building Responsible Government

Attachment:

1. 2016 Audit Service Plan – Deloitte LLP

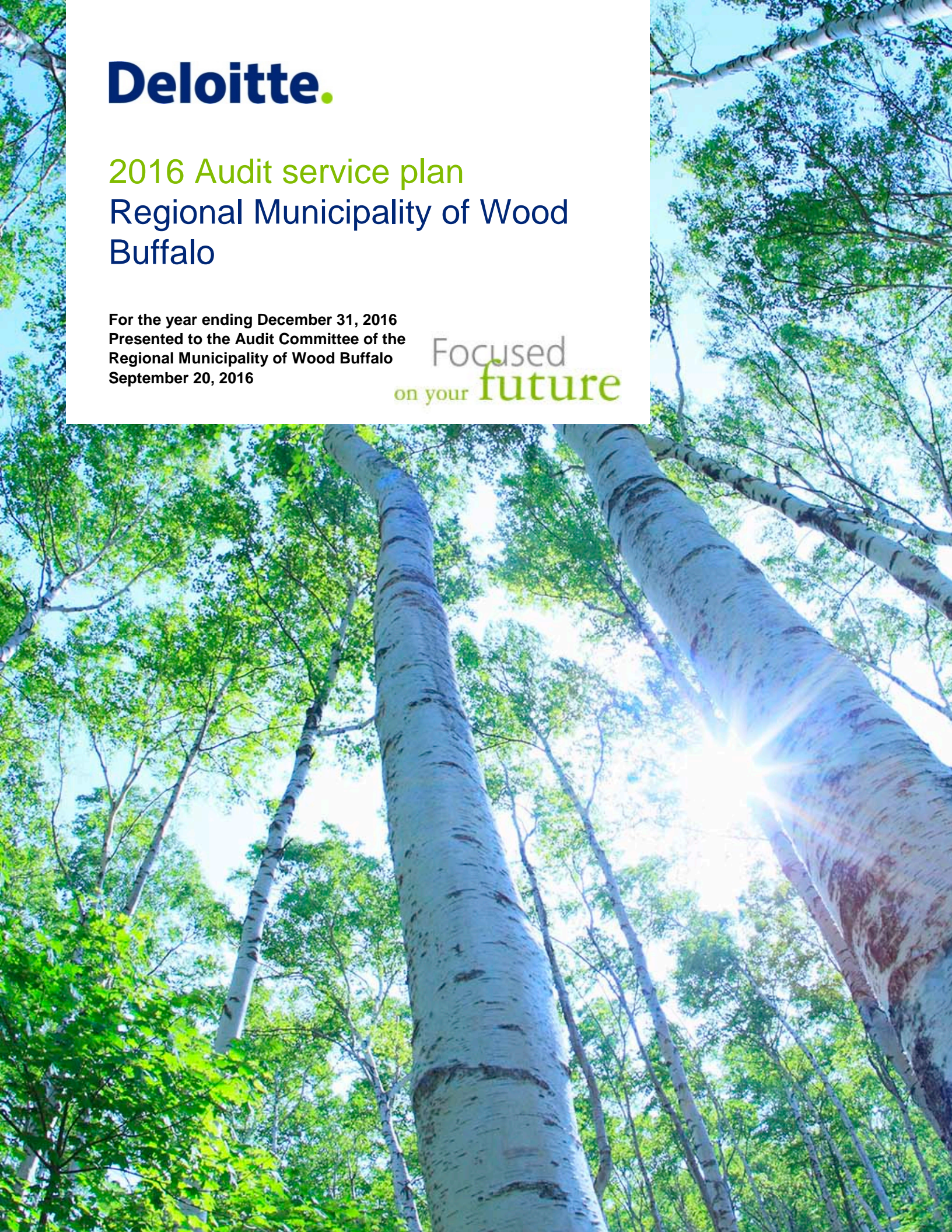


2016 Audit service plan

Regional Municipality of Wood Buffalo

For the year ending December 31, 2016
Presented to the Audit Committee of the
Regional Municipality of Wood Buffalo
September 20, 2016

Focused
on your future





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September 1, 2016

To the Chair and members of the
Audit Committee of the Regional Municipality of Wood Buffalo

2016 Audit service plan

We are pleased to provide you with our audit service plan for the Regional Municipality of Wood Buffalo ("the Municipality") for the year ending December 31, 2016. This document describes the key features of our plan including our audit scope and approach, our planned communications with you, our team and an estimate of our fees.

Our commitment to you is straightforward: we will provide you with outstanding professional services delivered by an experienced and dedicated team of specialists. Our professionals will continue providing you with best practices and insights to face the increasingly complex array of issues and challenges encountered by the Municipality. At Deloitte, we are committed to helping the Municipality grow and successfully achieve its business objectives in today's ever-changing economy.

We look forward to discussing our audit service plan with you and answering any questions you may have.

Yours truly,

A handwritten signature in black ink that reads "Deloitte LLP". The signature is stylized and cursive.

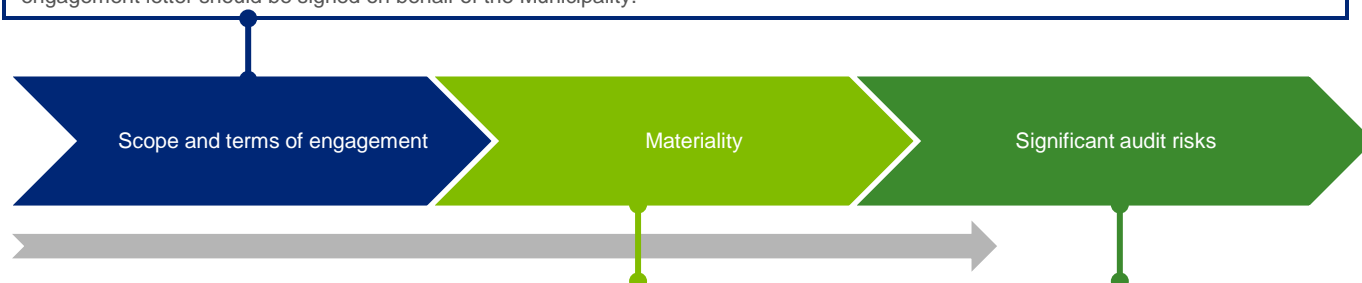
Chartered Professional Accountants, Chartered Accountants

Our audit explained

Audit scope and terms of engagement

We have been asked to perform an audit of the Municipality's consolidated financial statements (the "financial statements") in accordance with Canadian public sector accounting standards ("PSAS") as at and for the year ending December 31, 2016. Our audit will be conducted in accordance with Canadian generally accepted auditing standards ("Canadian GAAS").

The terms and conditions of our engagement are described in the engagement letter, which will be sent separately in the near future. Our engagement letter should be signed on behalf of the Municipality.



Materiality

We are responsible for providing reasonable assurance that your financial statements as a whole are free from material misstatement.

Materiality levels are determined on the basis of professional judgment and consolidated budgeted expenses. Our preliminary estimate of materiality for the year ending December 31, 2016, has been set at \$18,100,000 (2015 - \$18,100,000). This preliminary estimate does not reflect the financial impact of the significant events that impacted the Municipality this year. As such, we expect our estimate of materiality to be updated once year to date actual results are available and again at year-end.

We will inform the Audit Committee and management of all uncorrected misstatements greater than a clearly trivial amount of 5% of materiality and any misstatements that are, in our judgment, qualitatively material. In accordance with Canadian GAAS, we will ask that any misstatements be corrected.

Significant audit risks

Through our preliminary risk assessment process, we have identified the significant audit risks. These risks of material misstatement and related audit responses are discussed in the significant audit risks section of this report.

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. Asking people 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 judgments and decisions related to management estimates indicate a possible bias.
6. Incorporating an element of unpredictability in selecting our audit procedures.

We will also ask the Audit Committee for their views about the risk of fraud, whether they know of any actual or suspected fraud affecting the Municipality and their role in the oversight of management's antifraud programs.

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

Complete engagement reporting

Audit reporting

Under Canadian GAAS, we are required to communicate certain matters to the Audit Committee. The primary reports and formal communications through which we will address these matters are:

- This audit service plan;
- Year-end communication; and
- Our independent auditor's report on the financial statements.

Business insights

We will provide you with insights into the condition of your business and offer meaningful suggestions for improvement.



Reliance on service organizations

The Municipality employs these third party service organizations in outsourcing arrangements that impact financial reporting information:

- BMO Nesbitt Burns Inc.
- CIBC Wood Gundy
- RBC Investor Services Trust
- RBC Dominion Securities Inc.
- Baker Gilmore & Associates

We intend to rely on the reports issued by the independent auditors of these third party service organizations.

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.

Audit fees

We propose base audit fees of \$156,600 and \$2,700 for tax fees (2015 actual - \$156,600, \$2,700 for tax fees and \$20,955 in scope increases) plus reasonable expenses and a 7% administrative charge and applicable taxes. We anticipate an increase in audit scope related to audit of transactions, balances and disclosures related to the financial statement impact of the significant events impacting the Municipality this fiscal year. We will discuss any increase in audit scope and related fees with administration in advance of performing the work.

Significant events and other key areas

Our audit begins by reassessing the risk areas from last year's audit. Since our last risk assessment, some significant developments or factors have changed, impacting our audit plan. An overview of these developments is provided below and a complete summary of the significant audit risks and our planned audit procedures are described in the significant risks section.

Developments in your business/industry/economy in which you operate

Impact on our 2016 audit

Recent economic events



The weakened Canadian economy as a result of significant decline in oil prices and Canadian dollar may create investment and operating challenges for the Municipality that may not have been present in recent years.

To assess the impact these economic events may have on our audit, we will:

- Ask management about the impact of recent economic conditions on their taxation revenue and financial results.
- Assess the effect of the changes in level of operations on the financial results to determine whether that affects our planned materiality.
- Consider the effect of recent events on our risk assessment and planned audit procedures, such as:
 - Investment valuation and impairment; and
 - Substantive testing of taxation revenue and receivables.

2016 wildfire



In May 2016 the Municipality experienced a catastrophic wildfire. As a result of the wildfire, there are a number of potential financial reporting considerations. Those resulting in significant audit risks have been explained in the following pages:

- Interruption of day-to-day operations and impact on control environment.
- Completion of accruals, commitments and contingencies related to response and recovery costs.
- Recording of disposal or impairment of damaged tangible capital assets ("TCA").
- Estimate of post-closure landfill liability due to accelerated landfill usage.
- Potential site contamination and reclamation obligations.
- Collectibility and existence of Provincial Disaster Recovery Program receivables.
- Revenue reduction due to utility and commercial waivers during affected periods.



New significant risk



Continuing significant risk



Normal risk

Significant audit risks

During our risk assessment, we identified some significant audit risks that will require special audit consideration. These risks, together with our planned responses, are described below. In performing our risk assessment, we have considered the risks identified by management in performing their risk assessment.

The following tables set 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 Municipality.

Significant risk dashboard

Audit risk	Fraud risk	Planned assessment of the design and implementation of internal controls for risk assessment purposes	Planned substantive testing
Management override of controls	✓	—	✓
Revenue recognition	✓	✓	✓
Completeness, accuracy, recording and valuation of "TCA"	—	✓	✓
Completeness and accuracy of deferred revenue balances	—	✓	✓
Completeness and accuracy of liability for post-closure landfill costs	—	✓	✓
Collectibility and existence of receivables related to 2016 wildfire costs	—	✓	✓
Completeness and cut-off of accounts payable, accruals, contractual obligations disclosed and commitments	—	✓	✓



Will be addressed during the audit



Not applicable

Management override of controls

Audit risk

Assurance standards include the presumption of a significant risk of management override of controls.

Management is in a unique position to perpetrate fraud because of management's ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Our proposed audit response

- We will engage in fraud discussions with certain members of senior management and others and the Audit Committee. We will consider the potential for bias in judgments and estimates including performing retrospective analysis of significant accounting estimates. We will evaluate the business rationale for any significant unusual transactions.
- We will evaluate the Municipality's fraud risk assessment and consider entity-level internal controls and internal controls over the closing and reporting process. We will test journal entries that exhibit characteristics of possible management override of controls.

Revenue recognition

Audit risk

Revenue recognition (presumption that it is a risk of fraud) in the following areas:

- Recognition of revenues based on the underlying funding agreement
- Recognition of developer levies in the incorrect period
- Government transfers have not been recognized in circumstances where the specified conditions have been met
- Recognition of government transfers in the incorrect period

Our proposed audit response

- We will review the revenue recognition policy for compliance with Canadian PSAS.
- We will review a sample of revenue transactions and revenue generating agreements to ensure the revenue is recognized in accordance with the policy and Canadian PSAS.
- We will review grant agreements to ensure funds are used for their intended purpose and that revenue is recognized in the appropriate period.
- We will specifically review provincial and municipal contributions received during the year and ensure the amounts are appropriately recorded.
- We will review the developer levies recognized during the year and ensure that they are matched to actual expenses incurred in the year.

Completeness, accuracy, recording and valuation of tangible capital assets

Risk identified	Our proposed audit response
<p>The TCA process and its ability to address the ongoing financial reporting requirements of the Municipality continue to be an area of concern. In addition, there is an increased risk that recorded contributed assets may not be complete and the fair value estimates of contributed TCA may differ significantly from actual results.</p> <p>As a result of the wildfire which impacted the Municipality, the Municipality has an increased risk that TCA is overstated due to impairment or disposal of damaged assets not recorded.</p>	<ul style="list-style-type: none"> • We will review the Municipality's TCA policies for compliance with Canadian PSAS and consistency of application year over year. • We will review the Municipality's current year transactions, adjustments and related disclosure. Our testing will include, on a sample basis, reviewing amounts capitalized in the current year to ensure only amounts that meet the requirements for capitalization are included. We will also review a sample of items recorded as repairs and maintenance to ensure these amounts are appropriately expensed. • We will review the amortization rates and useful lives determined by management for reasonableness. • We will review management's assessment of indicators of impairment. • We will review general and administrative costs capitalized during the year to assess compliance with Canadian PSAS. • We will test construction in progress and transfers made to completed TCA and will confirm they are appropriately treated and complete. • We will review a sample of recorded asset disposals and write-downs to ensure gains, losses and proceeds are correctly recorded. In addition, we will review Council minutes to identify approved asset disposals as well as hold discussions with asset managers to identify potentially unrecorded disposals. • We will review the Municipality's process to ensure completeness of developer assets recorded. We will test a sample of Final Acceptance Certificate issued around year-end to ensure assets are recorded in the appropriate period. • We will review the Municipality's methodology to determine the fair value of contributed assets and test the assumptions in the valuation models. • We will review the Municipality's methodology to assess the impairment of assets and ensure that the valuation of assets are appropriate.

Completeness and accuracy of deferred revenue balances

Risk identified	Our proposed audit response
<p>Revenue is recognized from the deferred balance when the funds are used for the purpose specified. There is a risk that revenue is not recognized in accordance with the funding agreements. In addition, there is a risk that funding is unrecorded due to decentralized nature of grant management and reliance on manual processes.</p>	<ul style="list-style-type: none"> • We will review deferred revenue for compliance with Canadian PSAS. • We will test a sample of expenditures and ensure related revenue has been recognized appropriately. • We will specifically review federal and provincial transfer payments received during the year to fund specific projects. • We will review the related funding agreements to ensure funds are used for their intended purpose and that revenue is recognized in the appropriate period.

Completeness and accuracy of liability for post-closure landfill costs

Risk identified	Our proposed audit response
<p>The liability for post-closure landfill costs is a significant estimate. The present value of the future liability is recognized proportionately based on the capacity and usage of the landfill. As a result of the 2016 wildfire and recovery efforts, the 2016 landfill usage is expected to be in excess of previous estimates. There is a risk that the 2016 expense related to post-closure landfill costs is understated due to an inaccurate estimate of landfill capacity used in the year.</p>	<ul style="list-style-type: none"> • We will review management's estimate of landfill usage and capacity. We will review management's calculation of 2016 expense and post-closure landfill liability recorded. • We will assess the reliability of management's experts used in the development of estimates.

Collectibility and existence of receivables related to 2016 wildfire costs

Risk identified	Our proposed audit response
<p>The Municipality is accessing the Provincial Disaster Recovery Program for funding for reimbursement of response and recovery costs related to the 2016 wildfire. Although the Municipality has received an advance of a portion of the funds applied for, they may have a receivable at year-end. There is a risk that the receivable may be overstated due to costs incurred that do not qualify for the Provincial Disaster Recovery Program funding.</p>	<ul style="list-style-type: none"> • We will review management's estimate of amounts receivable at year-end. • We will test management's process to ensure costs incurred meet the Provincial Disaster Recovery Program reimbursement criteria. • We will confirm amounts receivable with the funder. • We will test amounts received after year-end.

Completeness and cut-off of accounts payable, accruals, contractual obligations disclosed and commitments

Risk identified	Our proposed audit response
<p>Contracting is decentralized within the Municipality. The ability to enter into contracts resides within several departments. The Municipality contracts with third parties to provide services that satisfy the requirements of the funding source. These contracts are external to the funding agreement and can have additional financial implications. Furthermore, the nature of the Municipality's operations allows for the possibility that there are financial obligations of which the finance department is not yet aware and that have not been recorded in the financial statements.</p> <p>There is a risk that not all liabilities and commitments related to the 2016 fire under PS 3260, <i>Liabilities for Contaminated Sites</i>, are recorded.</p>	<ul style="list-style-type: none">• We will review management's assessment of liabilities and commitments required to be recorded or disclosed under agreements entered in the year.• We will review a sample of funding contracts entered into in the year to audit management's treatment.• We will test disbursements made subsequent to year-end so as to ensure they have been accrued for in the correct period.• We will confirm year-end accounts payable balances with significant suppliers.• We will test a sample of reconciliations between supplier statements and sub ledger.• We will review management's process to reconcile and record manual electronic fund transfers, transactions, accounts payable and purchase order transactions recorded through "holding" accounts.• We will review the Municipality's process to ensure the completeness of contracts entered into.• We will review information independent of finance to identify contractual agreements.• We will review management's assessment of the impact of the fire on management's estimate of its liability for contaminated sites and commitments required to be disclosed.

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

Group audit

The audit of the Municipality is considered to be a group audit. Because of this, we are also required to determine the scope of work required for each controlled entity. Some of the factors we consider include:

- The existence of significant risks at the controlled entities;
- A consideration of significant accounts and disclosures using materiality levels that are appropriate to support our audit opinion on your organization's financial statements;
- The complexity and nature of the operations, internal controls and accounting issues at the controlled entities;
- The degree of centralization of processes and controls, including the extent of relevant enterprise-level controls; and
- The extent and nature of internal control deficiencies and financial statement misstatements identified in current and previous periods at the controlled entities.

Based on our analysis of these risks, we have determined the scope of work we consider necessary to provide an appropriate basis for our audit opinion on the financial statements.

The table below lists the audit procedures that we will perform in the current period audit:

Entity name	Type of work to be performed on components
Regional Municipality of Wood Buffalo non-consolidated component	Full-scope audit
Regional Municipality of Wood Buffalo Library	Full-scope audit
Wood Buffalo Housing & Development Corporation	Full-scope audit
Regional Recreational Corporation of Wood Buffalo	Full-scope audit

Sources of audit evidence in a group audit

Based on our analysis, we have determined the scope of work needed to provide an appropriate basis for our audit opinion on the financial statements.

Full-scope audits will be performed using the materiality level specified for the individual controlled entity that are individually significant to the financial statements.

The preliminary materiality levels for the following significant components are:

Regional Municipality of Wood Buffalo non-consolidated component	\$16,450,000
Regional Municipality of Wood Buffalo Library	\$ 187,000
Wood Buffalo Housing & Development Corporation	\$ 9,000,000
Regional Recreational Corporation of Wood Buffalo	\$ 1,232,000

Appendix 1 – Audit approach

Deloitte's audit approach is a systematic methodology that enables us to tailor our audit scope and plan to address the unique issues facing the Municipality.

The following steps are not necessarily sequential, nor are they mutually exclusive. For example, once we have developed our audit plan and the audit is being performed, we may become aware of a risk that was not identified during the planning phase. Based on that new information, we would reassess our planning activities and adjust the audit plan accordingly.

1. Initial planning

The Deloitte audit approach begins with an extensive planning process that includes:

- Assessing your current business and operating conditions
- Understanding the composition and structure of your business and organization
- Understanding your accounting processes and internal controls
- Understanding your information technology systems
- Identifying potential engagement risks
- Planning the scope and timing of internal control and substantive testing that take into account the specific identified engagement risks

2. Assessing and responding to engagement risk

Our audit approach combines an ongoing identification of risks with the flexibility to adjust our approach when additional risks are identified. Since these risks may impact our audit objectives, we consider materiality in our planning to focus on those risks that could be significant to your financial reporting.

Consideration of the risk of fraud

When we identify a misstatement or control deficiency, we consider whether it may be indicative of fraud and what the implications of fraud and significant error are in relation to other aspects of the audit, particularly the reliability of management representations.

In determining our audit strategy to address the assessed risks of material misstatement due to fraud, we will:

- Assign and supervise personnel, taking into account the knowledge, skill and ability of individuals with significant engagement responsibilities and our assessment of the risks of material misstatement due to fraud for the engagement.
- Evaluate whether the Municipality's selection and application of accounting policies, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings.
- Incorporate an element of unpredictability when selecting the nature, timing and extent of our audit procedures.

We will inquire directly of the Audit Committee regarding:

- Their views about the risk of fraud;
- Whether they have knowledge of any actual or suspected fraud affecting the Municipality; and
- The role they exercise in the oversight of fraud risk assessment and the establishment of mitigating controls.

We will also inquire if the Audit Committee is aware of tips or complaints regarding the Municipality's financial reporting and, if so, the Audit Committee's responses to such tips and complaints and whether they are aware of matters relevant to the audit, including, but not limited to, violations or possible violations of laws or regulations.

If we suspect fraud involving management, we will communicate these suspicions to the Audit Committee and discuss the nature, timing and extent of audit procedures necessary to complete the audit.

Information technology

An important part of our audit planning process involves gaining an understanding of:

1. The importance of the computer environment relative to the risks to financial reporting;
2. The way in which that environment supports the control procedures we intend to rely on when conducting our audit; and
3. The computer-based information that supports our substantive procedures.

The objective of our review of computer controls is to identify potential areas of risk and assess the relevance, reliability, accuracy and completeness of the data produced by the systems. We also assess the operating effectiveness of the computer environment and determine the reliability of the financial information used to generate the financial statements. To accomplish this, we gain an up-to-date understanding of your organization's computer processing environment and our understanding of the relevant general computer controls. We then conduct tests to support our conclusion on the operating effectiveness of controls considered relevant to the audit.

3. Developing and executing the audit plan

The performance of an audit includes evaluating the design and determining the implementation of internal controls relevant to the audit and performing substantive audit procedures.

Audit procedures

The timing of our audit procedures is dependent upon a number of factors including the need to coordinate with management for the provision of supporting analysis and other documentation. Generally, we perform our audit procedures to allow us sufficient time to identify significant issues early, thereby allowing more time for analysis and resolution.

Tests of controls

As part of our audit, we will review and evaluate certain aspects of the systems of internal control over financial reporting to the extent we consider necessary in accordance with Canadian GAAS. The main objective of our review is to enable us to determine the nature, extent and timing of our audit tests and establish the degree of reliance that we can place on selected controls. An audit of the financial statements is not designed to determine whether internal controls were adequate for management's purposes or to provide assurance on the design or operational effectiveness of internal control over financial reporting.

The extent to which deficiencies in internal control may be identified through an audit of financial statements is influenced by a variety of factors including our assessment of materiality, our preliminary assessment of the risks of material misstatement, our audit approach and the nature, timing and extent of the auditing procedures that we conduct. Accordingly, we gain only a limited understanding of controls as a result of the procedures that we conduct during an audit of financial statements.

We will inform the Audit Committee and management of any significant deficiencies that are identified in the course of conducting the audit.

Substantive audit procedures

Our substantive audit procedures consist of a tailored combination of analytical procedures and detailed tests of transactions and balances. These procedures take into account the results of our controls tests and are designed to enable us to obtain reasonable assurance that the financial statements are free from material misstatements. To obtain this assurance, misstatements that we identify while performing substantive auditing procedures will be considered in relation to the financial statements as a whole. Any misstatements that we identify, other than those that are clearly trivial (the threshold has been set at 5% of materiality), will be reported to management and the Audit Committee. In accordance with Canadian GAAS, we will request that misstatements be corrected.

4. Reporting and assessing performance

Perform post-engagement activities

We will analyze the results of the audit procedures performed throughout the year and, prior to rendering our report, we will conclude whether:

- The scope of the audit was sufficient to support our opinion; and
- The misstatements identified during the audit do not result in the financial statements being materially misstated.

Independence

We have developed important safeguards and procedures to protect our independence and objectivity. If, during the year, we identify a breach of independence, we will communicate it to you in writing. Our communication will describe the significance of the breach, including its nature and duration, the action taken or proposed to be taken and our conclusion as to whether or not the action will satisfactorily address the consequences of the breach and have any impact on our ability to serve as independent auditor to the Municipality.

We are independent of the Municipality and we will reconfirm our independence in our final report to the Audit Committee.

Appendix 2 – Communication requirements

Required communication	Reference
Audit service plan	
1. Our responsibilities under Canadian GAAS, including forming and expressing an opinion on the financial statements	CAS ¹ 260.14
2. An overview of the overall audit strategy, addressing: <ul style="list-style-type: none"> a) Timing of the audit b) Significant risks, including fraud risks c) Nature and extent of specialized skill or knowledge needed to perform the planned audit procedures related to significant risk 	CAS 260.15
3. Significant transactions outside of the normal course of business, including related party transactions	CAS 260 App. 2 CAS 550.27
Enquiries of those charged with governance	
4. How those charged with governance exercise oversight over management's process for identifying and responding to the risk of fraud and the internal control that management has established to mitigate these risks	CAS 240.20
5. Any known suspected or alleged fraud affecting the Municipality	CAS 240.21
6. Whether the Municipality is in compliance with laws and regulations	CAS 250.14
Year-end communication	
7. Fraud or possible fraud identified through the audit process	CAS 240.40-.42
8. Significant accounting policies, practices, unusual transactions and our related conclusions	CAS 260.16 a.
9. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period	CAS 260.16 a.
10. Matters related to going concern	CAS 570.23
11. Management judgments and accounting estimates	CAS 260.16 a.
12. Significant difficulties, if any, encountered during the audit	CAS 260.16 b.
13. Material written communications between management and us, including management representation letters	CAS 260.16 c.
14. Other matters that are significant to the oversight of the financial reporting process	CAS 260.16d.
15. Modifications to our opinion(s)	CAS 260.A18
16. Our views of significant accounting or auditing matters for which management consulted with other accountants and about which we have concerns	CAS 260.A19

¹ CAS: Canadian Auditing Standards – CAS are issued by the Auditing and Assurance Standards Board of CPA Canada.

Required communication	Reference
17. Significant matters discussed with management	CAS 260.A.19
18. Matters involving non-compliance with laws and regulations that come to our attention	CAS 250.23
19. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the financial statements	CAS 265
20. Uncorrected misstatements and disclosure items	CAS 450.12-13
21. Any significant matters arising during the audit in connection with the Municipality's related parties	CAS 550.27

Appendix 3 – 2016 Summary audit timeline

This estimated timetable indicates our various procedures and release of our communications as planned throughout the year:

	Dates
Presentation of 2016 audit plan to the Audit Committee	September 20, 2016
Engagement letter to be submitted to management to sign on behalf of the Mayor and Council	October 15, 2016
Planning meeting with the Municipality's management, as required, to discuss interim/year-end audit and to finalize 2016 audit plans	October 15, 2016
Interim audit procedures to perform testing of the design and implementation of internal controls, substantive procedures and the preparation of confirmations	November 14 – 25, 2016
Interim audit findings discussed with management	Early January 2017
Commencement of year-end field work – financial statements, Municipal Financial Information Return, LAPP and FCSS	March 6, 2017
Provision of draft independent auditor's report and recommendations to management	April 10, 2017
Presentation of final financial statements by management and audit findings and independent auditor's report to the Audit Committee	April 18, 2017
Issuance of 2016 management recommendation letter	April 18, 2017
Anticipated independent auditor's report date	April 18, 2017

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"/> Canada's Best Managed Companies (www.bestmanagedcompanies.ca)	<ul style="list-style-type: none"> • Directors • CEO/CFO 	The Canada's Best Managed Companies designation symbolizes Canadian corporate success: companies focused on their core vision, creating stakeholder value and excelling in the global economy.
<input type="checkbox"/> Centre for financial reporting (www.cfr.deloitte.ca)	<ul style="list-style-type: none"> • Directors • CEO/CFO • Controller • Financial reporting team 	Web site designed by Deloitte to provide the most comprehensive information on the web about financial reporting frameworks used in Canada.
<input type="checkbox"/> Financial Reporting Insights (www.iasplus.com/fri)	<ul style="list-style-type: none"> • CFO • Controller • Financial reporting team 	Monthly electronic communications that helps you to stay on top of standard-setting initiatives impacting financial reporting in Canada.
<input type="checkbox"/> On the board's agenda	<ul style="list-style-type: none"> • Directors • CEO/CFO 	Bi-monthly publication examining a key topic in detail, including the perspectives of a Deloitte professional with deep expertise in the subject matter as well as the views of an experienced external director.
<input type="checkbox"/> State of change (www.iasplus.com/StateOfChange)	<ul style="list-style-type: none"> • CFO • VP Finance • Controller • Financial reporting team 	Bi-monthly newsletter providing insights into key trends, developments, issues and challenges facing the not-for-profit sector in Canada, with a Deloitte point of view.
<input type="checkbox"/> Deloitte Financial Reporting Update (www.deloitte.com/ca/update)	<ul style="list-style-type: none"> • CFO • VP Finance • Controller • Financial reporting team 	Learning webcasts offered throughout the year featuring our professionals discussing critical issues that affect your business.



Subject: Expense Summary – Council and Office of the Chief Administrative Officer (CAO) – Period Ending June 30, 2016
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APPROVALS:

David Leflar, Director Marcel Ulliac, Chief Administrative Officer

Administrative Recommendation:

THAT the Expense Summary for Council and the Office of the Chief Administrative Officer (CAO) for the period January 1-June 30, 2016 be received as information.

Summary:

The current Elected Officials Compensation, Travel, Expense and Support Policy requires that reports on expenditures for each member of Council be presented for review at a public meeting on a quarterly basis.

Background:

The attached Expense Summary – January 1-June 30, 2016 reflects all expenses entered in the Municipality's financial system in the categories of business travel, conference travel (includes registration costs and training) and public relations (includes event tickets, hosting, sponsorships, etc.) for each Member of Council. In an effort to provide greater detail on each expense incurred, this summary provides a line-by-line account for every expense incurred by each individual for this reporting period. Although some summaries reflect expenses related to the 2016 wildfire event, those expenses are anticipated to be eligible for funding reimbursement through the Government of Alberta's Disaster Relief Program.

Individual budgets are monitored on an ongoing basis, and budget adjustments are made, as needed. No adjustments are being requested as all Council Members remain within their respective total cumulative budget allocation.

In keeping with the established practice in 2014, expenses for the Office of the Chief Administrative Officer are also submitted for review. This provides a consistent reporting process for Council Members and the most senior member of municipal administration, while ensuring that the primary objectives of transparency and accountability are upheld.

Strategic Plan Linkage:

Pillar 1 – Building Responsible Government

Attachments:

1. Expense Summary – January 1-June 30, 2016

Mayor

Expense Summary - Details January 1, 2016 - June 30, 2016

2016 Total Public Relations Budget Amount		\$15,000.00
Explanation		Amount
MacDonald Island - Enbridge Famous 5 Series Dinner/Grand Ballroom ticket		67.00
Chocolates and Candlelight - Donation basket for fundraiser		75.00
Ristorante Cosa Nostra - Lunch meeting		55.44
Role of Energy Resources - Connecting People with Interesting Ideas - Rex Murphy		900.00
Smitty's (Catering) - Meeting with Min. Larivee		360.42
Safeway (Catering)- Meeting with Premier Rachel Notley		46.07
Tim Hortons (Catering)- Meeting with Premier Rachel Notley		45.10
Printing Unlimited - Display Board for Zero Waste Initiative		80.00
Moxie's - Lunch Meeting		41.74
Smitty's (Catering) - Premier's Visit March 4		379.37
Smitty's (Catering) - Minister Sohi Visit March 31		\$293.34
Printing Unlimited - Graduation Certificates		\$689.60

Public Relations TOTAL \$3,033.08

Remaining Budget **\$11,966.92**

2016 Total Business Travel Budget Amount		\$10,000.00
Explanation		Amount
WestJet Flight Change Fee - meeting with Min. Larivee and Min. Hoffman		75.00
Airport Taxi Service - Taxi from airport		76.19
Co-op Taxi - Taxi to airport		57.43
Sutton Place Hotel - Jan. 28 (meeting with Min. Larivee and Min. Hoffman)		150.96

Business Travel TOTAL \$359.58

Remaining Budget **\$9,640.42**

2016 Total Conference Travel and Registration Budget Amount		\$7,500.00
Explanation		Amount
Seat Selection for FCM (Flight Cancelled)		\$10.00

Conference Registration/Conference Travel TOTAL \$10.00

Remaining Budget **\$7,490.00**

Councillor Tyran Ault

Expense Summary - Details January 1, 2016 - June 30, 2016

2016 Total Public Relations Budget Amount		\$10,000.00
Explanation		Amount

Public Relations TOTAL \$0.00

Remaining Budget	\$10,000.00
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2016 Total Business Travel Budget Amount		\$1,000.00
Explanation		Amount

Business Travel TOTAL \$0.00

Remaining Budget	\$1,000.00
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2016 Total Conference Travel and Registration Budget Amount		\$10,000.00
Explanation		Amount

FCM Conference Registration	\$815.00
FCM Conference Registration Refund	-\$815.00

Business/Conference Travel TOTAL \$0.00

Remaining Budget	\$10,000.00
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Councillor Lance Bussieres

Expense Summary - Details January 1, 2016 - June 30, 2016

2016 Total Public Relations Budget Amount		\$10,000.00
Explanation		Amount
Printing Unlimited - Curling sponsorship sign		80.00
Sponsorship - Fort McMurray Oilsands Curling Club		1,000.00
Donation - Gift cards for Golden Years Society Senior's Luncheon		250.00
8 tickets for Annual KAOS 91.1 Auction & Banquet		600.00
Rental for Councillors Corner - Fort McMurray Golden Years Society		\$108.33
Wood Buffalo Seniors Resource Luncheon June 1, 2016		1,200.00
Public Relations TOTAL		\$3,238.33

Remaining Budget	\$6,761.67
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2016 Total Business Travel Budget Amount		\$1,000.00
Explanation		Amount
Business Travel TOTAL		\$0.00

Remaining Budget	\$1,000.00
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2016 Total Conference Travel and Registration Budget Amount		\$10,000.00
Explanation		Amount
Business/Conference Travel TOTAL		\$0.00

Remaining Budget	\$10,000.00
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Councillor Julia Cardinal

Expense Summary - Details January 1, 2016 - June 30, 2016

2016 Total Public Relations Budget Amount		\$10,000.00
Explanation		Amount
Hosting - Valentine dinner - Gail Bourque, Bunny Bourque, Louise Castor, Billy Castor, Marlene Decoine, Margaret Shortman, Mary Rose McKay, Happy Cardinal		320.00
Public Relations TOTAL		\$320.00

Remaining Budget	\$9,680.00
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2016 Total Business Travel Budget Amount		\$32,200.00
Explanation		Amount
McMurray Aviation - YPY to YMM - Jan. 12		123.81
Nomad Hotel - Jan. 12		186.16
McMurray Aviation - YMM to YPY - Jan. 13		142.86
McMurray Aviation - YPY to YMM - Jan. 19 (open ticket - used on Feb. 2)		123.81
McMurray Aviation - YMM to YPY - Jan. 20 (open ticket - used on Feb. 10)		123.81
Nomad Hotel - Jan. 26-28		464.88
Nomad Hotel - Jan. 29		154.96
Nomad Hotel - Feb. 2		154.96
January expenses		560.00
Nov. 9-Dec. 31 expenses		318.29
McMurray Aviation - YPY to YMM - Feb. 9		123.81
Nomad Hotel - Feb. 9		154.96
McMurray Aviation - YPY to YMM - Feb. 17		123.81
McMurray Aviation - YMM to YPY - Feb. 17 (no show)		123.81
Nomad Hotel - Feb, 17		154.96
McMurray Aviation - Charter ticket - YPY to YMM - Feb. 18		133.33
McMurray Aviation - YMM to YPY - Feb. 19		133.33
Nomad Hotel - Feb. 23		154.96
McMurray Aviation - YPY to YMM - Feb. 23		123.81
McMurray Aviation - YPY to YMM - Feb. 24 (credit memo provided for future flight)		123.81
McMurray Aviation - YMM to YPY - Feb. 25 (no show)		123.81
Northwestern Air - Return flight - Mar. 14-16		431.00
Nomad Hotel - Feb. 29-Mar. 1		309.92
Nomad Hotel - Mar. 7-8		309.92
February expenses		545.23
Shipping charge for mail to be recoded 80002/521500		9.52
Nomad Hotel - Mar. 21-22		309.92
McMurray Aviation - YPY to YMM - Mar. 29		123.81
Nomad Hotel Mar 29-31		464.88
Northwestern Air - Flight to YMM - Mar 21		213
AAMDC - Flight to Edmonton - Mar 14-16		966
Northwestern Air - Mar 7-9		431

Nomad Hotel Apr 12	154.96
McMurray Aviation - Apr 19	123.81
Nomad Hotel - Apr 19-20	154.96
McMurray Aviation - YMM to YPY - Apr 20	123.81
McMurray Aviation - YPY to YMM - Apr 26	123.81
Nomad Hotel - Apr 27	154.96
Meetings in 2016	452.38
McMurray Aviation - YMM to YPY - Jun 22	123.81
McMurray Aviation - YPY to YMM - Jun 27	123.81
McMurray Aviation - YMM to YPY - June 29	123.81
Business Travel TOTAL	\$9,602.26

Remaining Budget	\$22,597.74
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2016 Total Conference Travel and Registration Budget Amount	\$10,000.00
Explanation	Amount
AAMDC Convention March 14-16, 2016 registration fee	460.00
Westin Hotels - Advance deposit for booking (AAMDC Spring Conference)	288.53
Expenses for AAMDC Conference in Edmonton (March 14-16, 2016)	928.55
WestJet Flight - FCM	\$335.75
WestJet Flight - FCM credit	-\$335.75
WestJet Flight - FCM in Winnipeg	\$293.54
McMurray Aviation - YPY to YMM return flight	\$260.00
IATA Canada - Travel Agency Costs	\$25.00
Federation of Canadian Municipalities (FCM) Registration	\$815.00
Business/Conference Travel TOTAL	\$3,070.62

Remaining Budget	\$6,929.38
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Councillor Sheldon Germain

Expense Summary - Details January 1, 2016 - June 30, 2016

2016 Total Public Relations Budget Amount		\$10,000.00
Explanation		Amount
RMWB Lanyards for Peewee Provincials		300.00
MALANKA 2016 tickets		107.40
Star News Publishing - advertisement Family Day ad		125.00
Printing Unlimited - Curling sponsorship sign		80.00
Sponsorship - Fort McMurray Oilsands Curling Club		1,000.00
Norfort Gymnastics Association sponsorship		500.00
Rental for Councillors Corner - Fort McMurray Golden Years Society		108.34
Wood Buffalo Seniors Resources Committee-Pam Burns		600.00
Public Relations TOTAL		\$2,820.74

Remaining Budget	\$7,179.26
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2016 Total Business Travel Budget Amount		\$1,000.00
Explanation		Amount
Business Travel TOTAL		\$0.00

Remaining Budget	\$1,000.00
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2016 Total Conference Travel and Registration Budget Amount		\$10,000.00
Explanation		Amount
Federation of Canadian Municipalities (FCM) Conference registration fee (Cancellation requested - 50% refund to be processed)		815.00
Business/Conference Travel TOTAL		\$815.00

Remaining Budget	\$9,185.00
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Councillor Keith McGrath

Expense Summary - Details January 1, 2016 - June 30, 2016

2016 Total Public Relations Budget Amount		\$10,000.00
Explanation		Amount
Star News Publishing - advertisement Family Day Ad		125.00
Ticket for Leadership Evening with Royal Canadian Legion		50.00
EB Networking Luncheon - Sawridge Inn		\$36.50
Rental for Councillors Corner - Fort McMurray Gold Years Society		\$108.33
Accolade Promotion		\$6,959.99
APG Invoice 01373893 2015 Accruals		-\$6,510.79
Public Relations TOTAL		\$769.03

Remaining Budget	\$9,230.97
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2016 Total Business Travel Budget Amount		\$1,000.00
Explanation		Amount
Business Travel TOTAL		\$0.00

Remaining Budget	\$1,000.00
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2016 Total Conference Travel and Registration Budget Amount		\$10,000.00
Explanation		Amount
Business/Conference Travel TOTAL		\$0.00

Remaining Budget	\$10,000.00
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Councillor Phil Meagher

Expense Summary - Details January 1, 2016 - June 30, 2016

2016 Total Public Relations Budget Amount	\$10,000.00
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Explanation	Amount
Municipal Representative for 2016 Alberta Winter Games in Medicine Hat	995.90

Public Relations TOTAL	\$995.90
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Remaining Budget	\$9,004.10
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2016 Total Business Travel Budget Amount	\$1,000.00
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Explanation	Amount
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Business Travel TOTAL	\$0.00
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Remaining Budget	\$1,000.00
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2016 Total Conference Travel and Registration Budget Amount	\$10,000.00
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Explanation	Amount
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Business/Conference Travel TOTAL	\$0.00
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Remaining Budget	\$10,000.00
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Councillor Jane Stroud

Expense Summary - Details January 1, 2016 - June 30, 2016

2016 Total Public Relations Budget Amount		\$10,000.00
Explanation		Amount
Stationary supplies for Family Literacy Day		11.00
Donation of gift cards for Family Literacy Day		200.00
Donation of prizes for Janvier Community Christmas Party (carried over from 2015)		546.80
Public Relations TOTAL		\$757.80

Remaining Budget	\$9,242.20
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2016 Total Business Travel Budget Amount		\$16,000.00
Explanation		Amount
Travel costs related to Family Literacy Day and Mayor & Council Toast of Champions		397.69
Ramada Hotel - Feb 18		228.80
Mileage - Various locations in Fort McMurray-Anzac		561.40
Mileage - Various locations in Fort McMurray-Anzac		2,146.11
Mileage - Hotel/Meals/Parking		1,217.51
Business Travel TOTAL		\$4,551.51

Remaining Budget	\$11,448.49
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2016 Total Conference Travel and Registration Budget Amount		\$10,000.00
Explanation		Amount
Federation of Canadian Municipalities (FCM) Conference registration fee		815.00
Business/Conference Travel TOTAL		\$815.00

Remaining Budget	\$9,185.00
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Councillor Colleen Tatum
Expense Summary - Details January 1, 2016 - June 30, 2016

2016 Total Public Relations Budget Amount		\$10,000.00
Explanation		Amount
MALANKA 2016 tickets		150.00

Public Relations TOTAL \$150.00

Remaining Budget	\$9,850.00
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2016 Total Business Travel Budget Amount		\$1,000.00
Explanation		Amount

Business Travel TOTAL \$0.00

Remaining Budget	\$1,000.00
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2016 Total Conference Travel and Registration Budget Amount		\$10,000.00
Explanation		Amount
Federation of Canadian Municipalities (FCM) Conference registration fee		815.00

Business/Conference Travel TOTAL \$815.00

Remaining Budget	\$9,185.00
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Councillor Allan Vinni

Expense Summary - Details January 1, 2016 - June 30, 2016

2016 Total Public Relations Budget Amount		\$10,000.00
Explanation		Amount
Hosting - Malanka 2016: Lori Vokey, Robert Woodward, Elizabeth West, Miles West, Kerrie Pothier, James Pothier, Hank Vokey, Aurora Vokey, Tamara Austin		750.00
Radisson Hotel - Camp Yogi expense		134.16
Public Relations TOTAL		\$884.16
Remaining Budget		\$9,115.84
2016 Total Business Travel Budget Amount		\$5,000.00
Explanation		Amount
Business Travel TOTAL		\$0.00
Remaining Budget		\$5,000.00
2016 Total Conference Travel and Registration Budget Amount		\$10,000.00
Explanation		Amount
Federation of Canadian Municipalities (FCM) Conference registration fee		865.00
Business/Conference Travel TOTAL		\$865.00
Remaining Budget		\$9,135.00

Councillor Claris Voyageur

Expense Summary - Details January 1, 2016 - June 30, 2016

2016 Total Public Relations Budget Amount		\$10,000.00
Explanation		Amount
Public Relations TOTAL		\$0.00
Remaining Budget		\$10,000.00

2016 Total Business Travel Budget Amount		\$32,200.00
Explanation		Amount
Nomad Hotel - Feb 23/2016		154.96
Nomad Hotel - Mar 1-2/2016		154.96
Nomad Hotel - Mar 8-9/2016		154.96
Nomad Hotel - Mar 15-16/2016		154.96
Nomad Hotel - Mar 22/2016		154.96
McMurray Aviation - Apr 5/2016		123.81
Nomad Hotel		154.96
Nomad Hotel		154.96
McMurray Aviation		123.81
McMurray Aviation - YPY to YMM		123.81
Travel for Council Meetings - Feb and Mar 2016		1466.67
Travel for Council Meetings - Feb and Mar 2016		-1466.67
Nomad Hotel		154.96
McMurray Aviation		123.81
Travel from YPY to YMM for Council Meetings		1440.00
McMurray Aviation - YPY to YMM		123.81
Nomad Hotel - Apr 26-27/2016		154.96
McMurray Aviation		476.19
McMurray Aviation		142.86
Business Travel TOTAL		\$4,072.74
Remaining Budget		\$28,127.26

2016 Total Conference Travel and Registration Budget Amount		\$10,000.00
Explanation		Amount
FCM - Winnipeg		815.00
McMurray Aviation - Return Flight YPY to YMM		247.62
WestJet		335.75
Flight Agency Service		25.00
Business/Conference Travel TOTAL		\$1,423.37
Remaining Budget		\$8,576.63

Office of the Chief Administrative Officer

Expense Summary - Details January 1, 2016-June 30, 2016

2016 Total Public Relations Budget Amount		\$3,000.00
Explanation		Amount
EB Networking luncheon & FMCA AGM		36.50
EB Networking luncheon		36.50
EB Networking luncheon - April 18 - Syncrude President Mark Ward		35.00
Lunch with Cr. McGrath, MLA Tany Yao & Vaughn Jessome - April 28 - Royal Canadian Legion		63.32
Public Relations TOTAL		\$171.32

Remaining Budget	\$2,828.68
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2016 Total Business Travel Budget Amount		\$7,000.00
Explanation		Amount
Westjet flight - Meeting with Dep. Min. Barry Day and Dep. Min. Greg Bass		262.25
IATA Canada - Marlin Travel Booking Fee		10.00
IATA Canada - Marlin Travel Booking Fee		10.00
Westjet flight - Mid-sized Cities Mayors' and CAOs' Caucus Meeting		351.25
Westjet flight - Meeting with Dep. Min. Barry Day and Dep. Min. Greg Bass		202.05
Belgian Beer Café - Business lunch with DCAO and ED of Planning & Reg. Development		54.98
Airport Taxi Service - Taxi from airport		49.67
Yellow Cab - Taxi to airport		50.67
PetroCan - Fuel		30.42
Courtyard by Marriott - Accommodation (Alberta Chamber of Resources AGM)		197.27
Gas for rental - mid sized cities Mayors' & CAO's mtg.		13.60
Avis car rental - mid-sized cities Mayors' & CAOs' mtg.		34.67
Baggage fee -mid-sized cities Mayors & CAOs' mtg.		25.00
Meal cost - mid-sized cities Mayors' & CAOs' mtg.		21.95
Meal cost - mid-sized cities Mayors' & CAOs' mtg.		25.49
Holiday Inn - hotel cost for mid-sized Mayors' & CAOs' mtg.		135.19
Westjet Credit for FCM & CAMA Conventions		-389.90
Airport Taxi Service - Council meeting in Edmonton		55.24
Airport Taxi Service - Council meeting in Edmonton		59.05
Co-op Taxi - Council meeting in Edmonton		19.81
Meal with admin. staff - Council meeting in Edmonton		91.28
Airport Taxi Service - Labour discussion meeting in Edmonton		50.48
Westin Hotel - Provincial briefing regarding re-entry process		476.19
Meal cost - Council meeting in Edmonton		39.31
Meal cost - Council meeting in Edmonton		25.10
Meal cost - Council meeting in Edmonton		56.50
Parking - Council meeting in Edmonton		13.33
Cab fare - Council meeting in Edmonton		26.89

Cab fare - Council meeting in Edmonton	25.71
Meal cost - Council meeting in Edmonton	5.99
Meal cost - Council meeting in Edmonton	61.95
Cab fare - Council workshop in Edmonton to airport	54.29
Delta Edmonton - hotel stay for Council meeting and various mtg. re wildfire	553.82
Meal cost - Council meeting in Edmonton	39.30
Meal cost - Council meeting in Edmonton	78.50
Cab fare - Labour discussion meeting in Edmonton	16.19
Cab fare - Labour discussion meeting in Edmonton	57.14
Cab fare - Labour discussion meeting in Edmonton	11.43
Meal cost - special Council meeting in Edmonton	134.00
Hotel cost - meetings in Edmonton	231.38
Meal cost with admin. staff - Meetings in Edmonton	82.30
Cab fare - Meeting with CUPE in Edmonton	11.43
Cab fare - meeting with Red Cross in Edmonton	8.19
Cab fare - meeting with Red Cross in Edmonton	11.43
Chateau Lacombe - hotel stay for mtg. with Provincial Recovery Taskforce Edmonton	221.75
Cab fare - mtg. with Provincial Recovery Taskforce	35.30
Meal cost - mtg. with Provincial Recovery Taskforce in Edmonton	55.55
Lunch meeting with Bill deSilva - Edmonton re micro hotel development	70.75
Cab fare - to airport- mtg. with Provincial Recovery Taskforce	57.76
Chateau Lacombe - hotel stay for mtgs. in Edmonton June 7-9	309.30
Baggage fee - return flight from Edmonton for Council mtgs. & mtg. with ADM	25.00
Cab fare from airport to residence	15.38
Air Canada flight to Calgary Stampede	254.25
Business Travel TOTAL	\$4,425.83

Remaining Budget \$2,574.17

2016 Total Conference Travel and Registration Budget Amount		\$9,000.00
Explanation		Amount
Westjet flight - AAMDC Convention		242.25
IATA Canada - Marlin Travel Booking Fee		10.00
AAMDC 2016 Spring Convention registration fee		460.00
IATA Canada - Marlin Travel Booking Fee		10.00
Westjet flight - CAMA and Federal Canadian Municipalities		371.33
CAMA registration fee		723.00
Federation of Canadian Municipalities (FCM) Conference registration fee		815.00
Westin Hotel - Accommodation (AAMDC Convention)		288.53
Baggage fee - 2016 AAMDC Convention - Mar 14-16		25.00
Airport Taxi Service from Hotel - AAMDC Convention Mar 14-16		57.38
Meal cost - AAMDC Convention Mar 14-16		53.19
Meal cost - AAMDC Convention Mar 14-16		64.10
Meal cost - AAMDC Convention Mar 14-16		29.69

Meal cost - AAMDC Convention Mar 14-16	24.00
Baggage fee - 2016 AAMDC Convention - Mar 14-16	25.00
Yellow cab service from hotel to airport - 2016 AAMDC Convention	57.38
Westin Hotel - Accommodation (AAMDC Convention)	294.21
Westin Hotel Credit - Changed to Convention rate	-107.12
Credit for FCM Cancellation	-721.24

Conference Travel/Registration TOTAL \$2,721.70

Remaining Budget \$6,278.30

KPMG Audit Findings – Progress as of September 20, 2016

1.0 Governance (pages 11-20)

Recommendation	Current Status
1.1 Set a clear and consistent “Tone from the Top”.	At the April 26, 2016 Council meeting, Council rescinded their March 15 motion to engagement Watson Advisory Inc. to provide governance training to Council members.
1.2 Review the current structure of the relationships between Council and Administration.	
1.3 Develop consistent information to be provided by Administration to Council.	This will be addressed as part of the new CAO Bylaw. Workshop scheduled with Council for October 3, 2016.
1.4 Council clearly define its expectations for the External Audit function.	COMPLETED Council had an In-Camera session with the External Auditor at the Audit and Budget Committee on April 21, 2015.
1.5 Develop and document a process to support Administration’s annual representations with respect to internal controls.	COMPLETED Implemented as part of the sign-off of the 2015 Financial Statements.
1.6 Council clearly define its expectations for the Municipal Auditor function.	COMPLETED Terms of Reference for the Audit Committee was approved at the April 20, 2016 Audit Committee Meeting.

2.0 Council Policies (pages 21-31)

Recommendation	Current Status
2.1 Implement a whistleblower policy.	COMPLETED Whistleblower Policy was approved by Council at their October 6, 2015 meeting and implemented on January 1, 2016.
2.2 Review and update Delegation Order on a regular basis to ensure it remains current.	This will be addressed as part of the new CAO Bylaw. Workshop scheduled with Council for October 3, 2016.
2.3 Review and update existing Code of Conduct Policy to reflect leading practices.	COMPLETED It was determined at the July 2 Agenda Review meeting that Administration should revise the existing Code of Conduct Procedure as opposed to developing a Council Policy on Code of Conduct. Procedure has since been revised and is now in place.
2.4 Implement an employee performance management policy and procedure.	COMPLETED Council approved the Exempt Performance Management Policy HRM-550 at their May 26, 2015 meeting.

2.5 Implement a Severance Policy and Procedure.	COMPLETED Council approved the Exempt Severance Policy HRM-620 at their Dec. 1, 2015 mtg.
2.6 Implement a “Learning For All” policy and procedure.	COMPLETED Council approved the Learning Development & Training Policy HRM-540 at their April 26, 2015 meeting
2.7 Implement a policy covering attendance at political fundraisers for elected officials and employees and update the current procedures to include additional guidance.	COMPLETED Council approved the Attendance at Political Fundraising Events & Other Events – Elected Officials, Chief Administrative Officer and Executive Directors – LEG-180 at their April 28, 2015 meeting.
2.8 Implement the Grant Procedure.	COMPLETED Council approved the Community Investment Program Policy FIN-220 at their June 24, 2014. The Internal Auditor reviews on an ongoing basis for compliance.
2.9 Review all policies and procedures for gaps noted in this report.	Ongoing
Additional Policies requested by the CAO: 1. Public Participation – Engagement	Scheduled for Oct. 18, 2016 Council Meeting
Additional Policies requested by the CAO: 2. Groundbreaking/Ribbon Cutting	COMPLETED Council approved the Municipal Sponsored Ground-Breaking and Ribbon-Cutting Ceremony Policy COM-120 at their April 26, 2016 meeting.

3.0 Organization Review – Communications and Public Affairs (pages 32-36)

Recommendations	Current Status
3.1 Develop and document a mandate for the Public Affairs Department.	COMPLETED Council was provided a copy of all departmental mandates on October 7, 2015 via e-mail. Mandates are also posted on the RMWB website.

4.0 Honorariums (pages 37-42)

Recommendations	Current Status
4.1 Develop and implement a formal honorarium policy and procedure.	COMPLETED Council approved the Gratuity Policy FIN-230 at their May 26, 2015 meeting.
4.2 Use a consistent form for approval of honorariums. 4.3 Develop and implement regular monitoring of honorariums.	COMPLETED Form and regular monitoring is part of the Gratuity Administrative Procedure FIN-240.

5.0 Land Acquisitions and Expropriations (pages 43-49)

Recommendations	Current Status
5.1 Municipality to document its policies and procedures for land acquisitions and expropriations. 5.2 Retain all documentations in land acquisitions and expropriation files. 5.3 Mandate the use of the "Land Administration Transaction Request" form. 5.4 Include documentation of conflict of interest and related party checks in the land acquisition and expropriation files.	COMPLETED Council approved the Land Acquisition Policy ADM-250 at their July 7, 2015 meeting.
5.5 Consider implementing a data processing patch in SAP to track land acquisitions and expropriations.	Ongoing

6.0 Travel and Living Expenses (pages 50-63)

Recommendations	Current Status
6.1 Determine whether or not a Fly-In-Fly-Out policy is required and if so implement a policy and procedure.	COMPLETED Council approved the Municipally Funded Commuting Policy HRM-510 at their April 12, 2016 meeting.
6.2 Implement a policy and procedure for temporary housing.	COMPLETED Council approved the Transitional & Temporary Housing Policy HRM-570 at their Dec. 1, 2015 meeting.
6.3 Implement a policy and procedure for taxable benefits.	COMPLETED Council approved the Taxable Benefits Policy FIN-250 at their March 10, 2015 meeting.
6.4 Review all taxable benefits related to fly-in-fly-out arrangements.	Ongoing
6.5 Update the Delegation Order and LEG-050 for the gaps noted in the report.	Draft policy is developed and is under review by Administration. Presentation to Council anticipated for Fall 2016.
6.6 Utilize the Municipal Auditor to perform sample testing over self-approval of expense reports.	Ongoing
6.7 Retain appropriate evidence of approval of expense reports.	Ongoing
6.8 Reinforce the requirements of the existing Expense Policy to all employees.	Ongoing
6.9 Reinforce the requirement to submit copies of receipts with expense reports.	Ongoing
6.10 Regularly monitor taxable benefits.	Ongoing

6.11 Consider implementing an automated approval workflow for expense reports.	This item will require SAP resources and therefore would be prioritized against other SAP projects. Dedicating SAP resources at this time is not anticipated due to existing higher priority work plans.
6.12 Update the Delegation Order to require all expenses be approved by a more senior employee.	COMPLETED No update required. The existing Travel & Subsistence Administrative Procedure FIN-180 stipulates that a more senior employee is to approve expenses. All of the Executive Directors expenses are currently approved by the CAO and the CAO's expenses approved by the Chair of the Audit Committee.

7.0 Consultants and Contractors (pages 64-67)

Recommendations	Current Status
7.1 – 7.3 Reinforce requirements of the standard operating procedures and Delegation Order related to vendor performance, change orders and contract close out to all employees.	Ongoing
7.4 - 7.5 Reinforce the requirements for change orders, including evidence of approval, to all employees.	Ongoing

8.0 Tenders and Proposals (pages 68-73)

Recommendations	Current Status
8.1 Review PUR-100, Procurement Policy, in accordance with the mandatory review dates.	COMPLETED Council approved an amendment to Procurement Policy PUR-100 at their January 26, 2016 meeting.
8.2 Reinforce the requirement to complete a "Non-competitive Selection Business Case" to all employees.	Ongoing
8.3 Amend policy FIN 190 to include a minimum number of bids.	COMPLETED Administration has reviewed the matter with KPMG and they have concurred that there is no need to amend the Supply Chain Management Administrative Procedure FIN-190. A BN was provided to Council in July, 2015 explaining the rationale as to why there is no need to amend Administrative Procedure FIN 190 relative to a minimum number of bids as the Municipality would be in contravention of the New West Trade Partnership Agreement.

<p>8.4 Update FIN 190 to include a minimum categorical requirement for proposal submissions.</p>	<p>COMPLETED</p> <p>Administration has reviewed the matter with KPMG. A wording change was made in the procedure update that addresses the ability of the Municipality's Supply Chain Professional to ensure that the procurement process is adaptable to the various procurement activities undertaken.</p>
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