



## FINANCE AND ADMINISTRATION COMMITTEE MEETING AGENDA

Healthy, Sustainable Communities

**Date: Wednesday, February 22, 2023**

**Time: 12:00 PM**

**Location: In person in DNSSAB Boardroom or virtually via link below:**

Join Zoom Meeting

<https://us06web.zoom.us/j/87404519857?pwd=UXBXWTNTS2pCdG9icGdUNkh1WXI1UT09>

Meeting ID: 874 0451 9857

Passcode: 50392237

One tap mobile

+16475580588,,87404519857#,,,,\*50392237# Canada

+16132093054,,87404519857#,,,,\*50392237# Canada

**Mayor Peter Chirico-Chair**, Councillor Maggie Horsfield –*Vice Chair*, Councillor Melanie Chenier, Councillor Terry Kelly, Councillor Mark King, Mayor Ethel LaValley, Councillor Justine Mallah, Councillor Chris Mayne, Councillor Lana Mitchell, Mayor Dan O'Mara, Councillor Jamie Restoule, Representative Amanda Smith.

Item	Topic
1.0	<b>1.1 CALL TO ORDER - ROLL CALL</b> <b>1.2 Declaration of Conflict of Interest</b>
2.0	<b>OPENING REMARKS</b>
3.0	<b>APPROVAL OF THE AGENDA (February 22, 2023)</b> <b>MOTION #FA2023-06</b> THAT the Finance and Administration Committee accepts the Agenda as presented.

Item	Topic
4.0	<b>DELEGATIONS</b> <b>1. Auditor Dean Decaire, BDO – on the audit planning process for DNSSAB</b>
5.0	<b>CONSENT AGENDA</b>  <b>5.1 FA02-23 2023 Municipal Apportionment</b> This report provides The District of Nipissing Social Services Administration Board (DNSSAB) the 2023 municipal apportionment figures for each municipality in the Nipissing district.
6.0	<b>MANAGERS REPORTS - <i>none at this time</i></b>
	<b>OTHER BUSINESS</b>
	<b>NEXT MEETING DATE</b> Wednesday, May 24, 2023
7.0	<b>ADJOURNMENT</b>  <b>MOTION: #FA2023-07</b> <i>Resolved</i> THAT the Finance and Administration Committee meeting be adjourned at ____ PM.

# District of Nipissing Social Services Administration Board

Audit planning report to the Finance and  
Administration Board for the year ended  
December 31, 2022

Presented on February 22, 2023





## To the Finance and Administration Board of District of Nipissing Social Services Administration Board

We are pleased to provide you with this planning report to highlight and explain key issues which we believe to be relevant to the audit of District of Nipissing Social Services Administration Board (the "Organization") financial statements for the year ended December 31, 2022.

The enclosed planning report includes our approach to your audit, the significant risks we have identified and the terms of our engagement. At the year-end meeting, we will provide you with a copy of our draft audit opinion and discuss the nature, extent and results of our audit work. We will also report any significant internal control deficiencies identified during our audit and reconfirm our independence.

Our audit and therefore this report will not necessarily identify all matters that may be of interest to the Finance and Administration Board in fulfilling its responsibilities. This report has been prepared solely for the use of the Finance and Administration Board and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

We look forward to completing our draft audit report opinion and discussing our conclusions with you. In the meantime, please feel free to contact us if you have any questions or concerns.

Yours truly,

BDO Canada LLP  
February 22, 2023



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<b>LEAD PARTNER ON YOUR AUDIT</b>	Dean Decaire CPA, CA
	E: ddecaire@bdo.ca
	T: 705-667-0316
<b>START DATE</b>	March 2023
<b>END DATE</b>	April 2023



## Your dedicated BDO audit team

Dean Decaire, CPA, CA

T: 705-667-0316  
E: ddecaire@bdo.ca

Dean Decaire has over 30 years of audit experience, working with various organizations. This experience allows him to address the unique audit and operating needs his/her clients have.

Dean Decaire will be the Engagement Partner for your assurance services. He will assume ultimate responsibility for the provision of all services, monitoring and controlling costs to ensure you receive quality, effective and value-added service.

Gwyn Bailey, CPA, CA

T: 705-478-1008  
E: gbailey@bdo.ca

Gwyn Bailey has over 10 years of audit experience, working with various organizations. This experience allows her to address the unique audit and operating needs his clients have.

Gwyn Bailey will be the Engagement Manager for your assurance services. She will assume ultimate responsibility for the provision of all services, monitoring and controlling costs to ensure you receive quality, effective and value-added service.

Cory Greco, CPA, CA

T: 705-667-0314  
E: cgreco@bdo.ca

Cory Greco has over 5 years of audit experience, working with various organizations.

This experience allows him to address the unique audit and operating needs her clients have. Cory Greco will be the Audit Senior for your assurance services. Cory will be responsible for the day-to-day supervision and execution of audit procedures.

### Our independence



We have complied with relevant ethical requirements and are not aware of any relationships between District of Nipissing Social Services Administration Board and our Firm that may reasonably be thought to bear on our independence.



# Audit timeline



For the year ended December 31, 2022



BDO'S DIGITAL AUDIT SUITE

## APT Next Gen

We use our APT Next Gen software and documentation tool to save time, streamline processes, and go paperless with your audit.

[LEARN MORE](#)

DISCOVER THE DIGITAL DIFFERENCE





## Auditor's responsibilities: financial statements

We are responsible for forming and expressing an opinion on the financial statements that have been prepared by management, with oversight by those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities. The scope of our work, as confirmed in our engagement letter attached as Appendix A to this letter, is set out below:

### Year-End Audit Work

- ▶ Work with management towards the timely issuance of the financial statements.
- ▶ Provide timely and constructive management letters. This will include deficiencies in internal control identified during our audit.
- ▶ Present significant findings to the Finance and Administration Board including key audit and accounting issues, any significant deficiencies in internal control and any other significant matters arising from our work.



We are required to obtain an understanding of the system of internal control in place in order to consider the adequacy of these controls as a basis for the preparation of the financial statements, to determine whether adequate accounting records have been maintained and to assess the adequacy of these controls and records as a basis upon which to design and undertake our audit testing.

We are required to report to you in writing about any significant deficiencies in internal control that we have identified during the audit.





## Auditor's responsibilities: fraud

We are responsible for planning and performing the audit to obtain reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud, by:

- ▶ Identifying and assessing the risks of material misstatement due to fraud;
- ▶ Obtaining sufficient and appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- ▶ Responding appropriately to fraud or suspected fraud identified during the audit.

The likelihood of not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error because fraud may involve collusion as well as sophisticated and carefully organized schemes designed to conceal it.

### Behind the audit report



Learn how we audit your financial statements

[SEE OUR PROCESS](#)



## Auditor's responsibilities: fraud

Throughout our planning process, we performed risk assessment procedures and related activities to obtain an understanding of the entity and its environment, including the Organization's internal control, to obtain information for use in identifying the risks of material misstatement due to fraud and made inquiries of management regarding:

- ▶ Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments;
- ▶ Management's process for identifying and responding to the risks of fraud in the Organization, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist;
- ▶ Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in District of Nipissing Social Services Administration Board; and
- ▶ Management's communication, if any, to employees regarding its view on business practices and ethical behavior.

We are not currently aware of any fraud affecting the Organization. If you are aware of any instances of actual, suspected, or alleged fraud, please let us know.



## Significant risks and planned responses

We have identified the following significant risks that require special audit consideration. These risks were identified based on our knowledge of the Organization, our past experience, and input from management and the Finance and Administration Board. Please review these significant risks and let us know your thoughts on these or any other areas of concern.

Financial statement areas	Risks noted	Audit approach
Management Override of Controls	Management is in a unique position to perpetrate fraud because of management's ability to override controls, potentially leading to a material misstatement of the financial statements.	Identify and select journal entries and other adjustments for testing. Perform a retrospective review of significant accounting estimates. Identify significant unusual transactions that are outside the normal course of operations.
Revenue Recognition Related to Deferred Revenues	Inherent fraud risk related to revenue recognition which could lead to a material misstatement of the financial statements. Risk that deferred revenues are not treated properly which could lead to a material misstatement of the financial statements.	Ensure revenue recognition policy is appropriate, applied consistently, and in line with accounting framework. Review deferred revenue details and associated agreements to ensure proper treatment.
Revenue Recognition Related to Cut-off Risk	Risk that timing of revenue has been manipulated in order to decrease amounts repayable to funders.	All grant revenue will be confirmed with funding agreements to ensure that revenues recorded exist, are complete and are recorded accurately. Ensure revenue recognition policy is appropriate, applied consistently, and in line with accounting framework. Perform testing of disbursements around year-end to ensure they have been accounted for in correct period. Perform testing of adjusting entries made throughout the year.
Transfer Payments and Transactions with Related Parties	Risk that transfer payments forwarded to related party are not allocated appropriately in line with the funding received	All grant revenue will be confirmed with funding agreements to ensure that revenues recorded exist, are complete and are recorded accurately. Disbursements to related party will be tested and reconciled with funding received to ensure proper treatment.
Impact of COVID-19 on operations and control environment	In common with many Organizations, COVID-19 has impacted operations as the Board has to continually adjust controls and operations to adapt to Provincial mandates and the rules and regulations of health authorities, this can create the risk that controls and related operations are not being carried out as intended.	Walkthrough and testing of changes to controls put in place during the year as a result of changing operations based on the impact of COVID-19, adjusting audit approach accordingly based on results of this testing. Review and discussions with management and Finance and Administration Committee to gain an understanding of changes during the year, along with corroboration of these changes.



## Other risks related to new Canadian Audit Standard 315

We have identified the following other risks that require special audit consideration under the new CAS 315 guidelines. These risks were identified based on our knowledge of the Organization, our past experience, and input from management and the Finance and Administration Board. Please review these additional risks and let us know your thoughts on these or any other areas of concern.

Financial statement areas	Risks noted	Audit approach
Provincial Settlements	Large child care/EarlyON repayables in 2020 due to the closures. Reconciliations that were completed after the 2020 audit found that amounts repayable to the ministry were significantly less so adjustments to match the 2020 EFIS were recorded in 2021. Total change \$2.7M;	
Collection of receivable from download of levies to member municipalities	There is a concern that member municipalities will not have the budget or ability to pay the increased levies as a result of the provincial government downloading the funding of DNSSAB	Review year end AR to ensure collectibility inside our normal AR testing.
Cut-off Risk – Accounts Receivable / Revenues	Risk that revenues are recorded in the wrong period. There may be incentive by the department heads to record expenses in the following period to meet budgeted targets if expected to be overbudget. Similarly, if they expect to be underbudget, may incur more expenses.	All grant revenue will be confirmed with funding agreements to ensure that revenues recorded exist, are complete and are recorded accurately. Ensure revenue recognition policy is appropriate, applied consistently, and in line with accounting framework. Perform testing of disbursements around year-end to ensure they have been accounted for in correct period. Perform testing of adjusting entries made throughout the year.
Prepaid Expenses – Government	Potential PPA related to prepaid expenses; there are government transfers that occur close to YE that could be payments for the following fiscal year.	To review agreement and confer with client.
Tangible Capital Assets	There is a risk of completeness and accuracy of recording tangible capital assets related to current capital projects.	Review continuity of tangible capital assets. Assess reasonableness and consistency of applying accounting policies related to tangible capital assets. Perform testing of capital additions and expenses to ensure all items related to tangible capital assets are identified.



## Other risks related to new Canadian Audit Standard 315 (Continued)

We have identified the following other risks that require special audit consideration under the new CAS 315 guidelines. These risks were identified based on our knowledge of the Organization, our past experience, and input from management and the Finance and Administration Board. Please review these additional risks and let us know your thoughts on these or any other areas of concern.

Financial statement areas	Risks noted	Audit approach
Accounts Payable and accruals	Risk that accruals of purchases / expenses at year end are not complete and therefore expenses are recorded in the wrong period.	Compare accruals listing to prior year and investigate variances Review other accruals to cover existence.
Purchases Cut-off	There are a few projects that are ongoing at year-end and a tight deadline appears that there are pressures to spend the monies before year-end to reduce the payable back to the Ministry.	To review agreements and test validity of expenses.
HST Payable/Recoverable	There is a risk that the Organization is not applying correct HST rules and therefore over or under accruing HST recoverable/payable.	To complete HST reasonability test and drill down into large variances.
Related Party Transactions	Risk that related party transactions are not eliminated upon consolidation and not properly disclosed.	To review client consolidation entries and ensure proper note disclosure.
Pension Agreements: multi-employer plan with OMERS	Going concern risk related to an actuarial deficit and also the impact on the liability by the increase in Bank of Canada prime interest rate.	Pension plan details will be disclosed in the notes to the financial statements. Risk is minimized be OMERS is a multi-employer plan where any plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As such the organization does not recognize any share of the OMERS pension surplus or deficit.



## Materiality

We determined preliminary materiality to be \$1,600,000, based on 2.25 of Expenses.

Misstatements are considered to be material if they could reasonably be expected to influence the decisions of users based on the financial statements.

Our materiality calculation is based on the Organization's preliminary results. If actual results change significantly, we will communicate those changes to the Finance and Administration Board as part of our year-end communication.

We will communicate all corrected and uncorrected misstatements identified during our audit to the Finance and Administration Board, other than those which we determine to be "clearly trivial."

We encourage management to correct any misstatements identified throughout the audit process.





# How we audit financial statements: Our audit process

## IDENTIFY AND ASSESS RISK

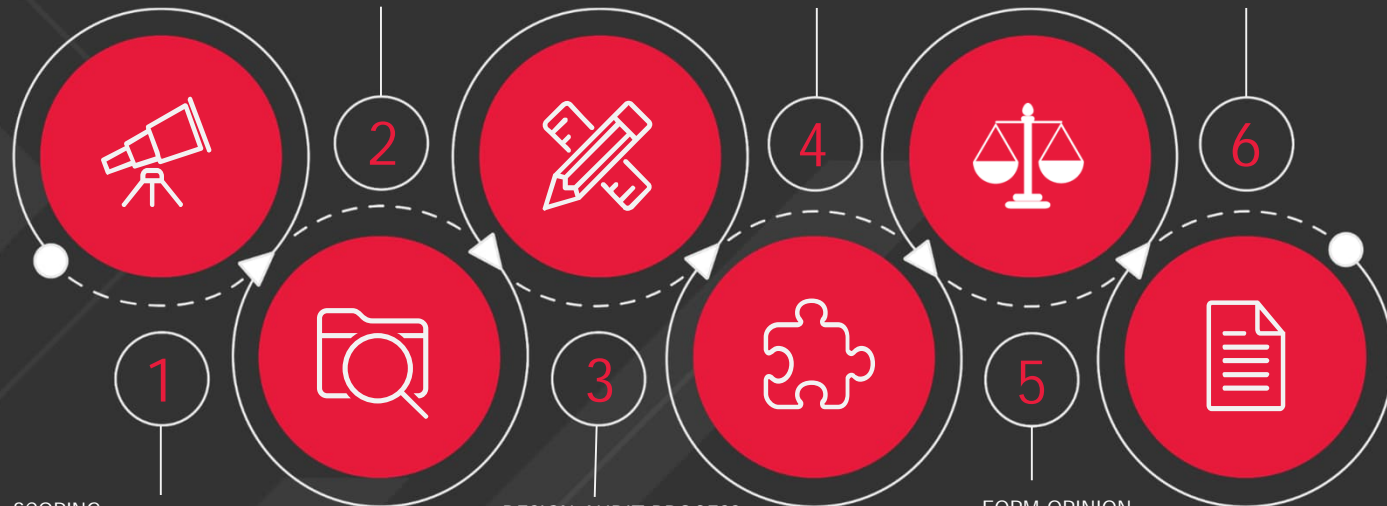
Focus on those areas of financial statements that contain potential material misstatements as a consequence of the risks you face

## OBTAIN AUDIT EVIDENCE

Perform audit procedures while maintaining appropriate degree of professional skepticism, to conclude whether or not the financial statements are presented fairly

## REPORT

Communicate our opinion and details of matters on which we are required to report



## SCOPING

Complete a preliminary review to plan the audit, determine the materiality level, and define the audit scope

## DESIGN AUDIT PROCESS

Design an appropriate audit strategy to obtain sufficient assurance and enable us to report on the financial statements

## FORM OPINION

Evaluate whether we have enough evidence to conclude that the financial statements are free from material misstatement, and consider the effect of any potential misstatements found

## New Standard for Audit Quality



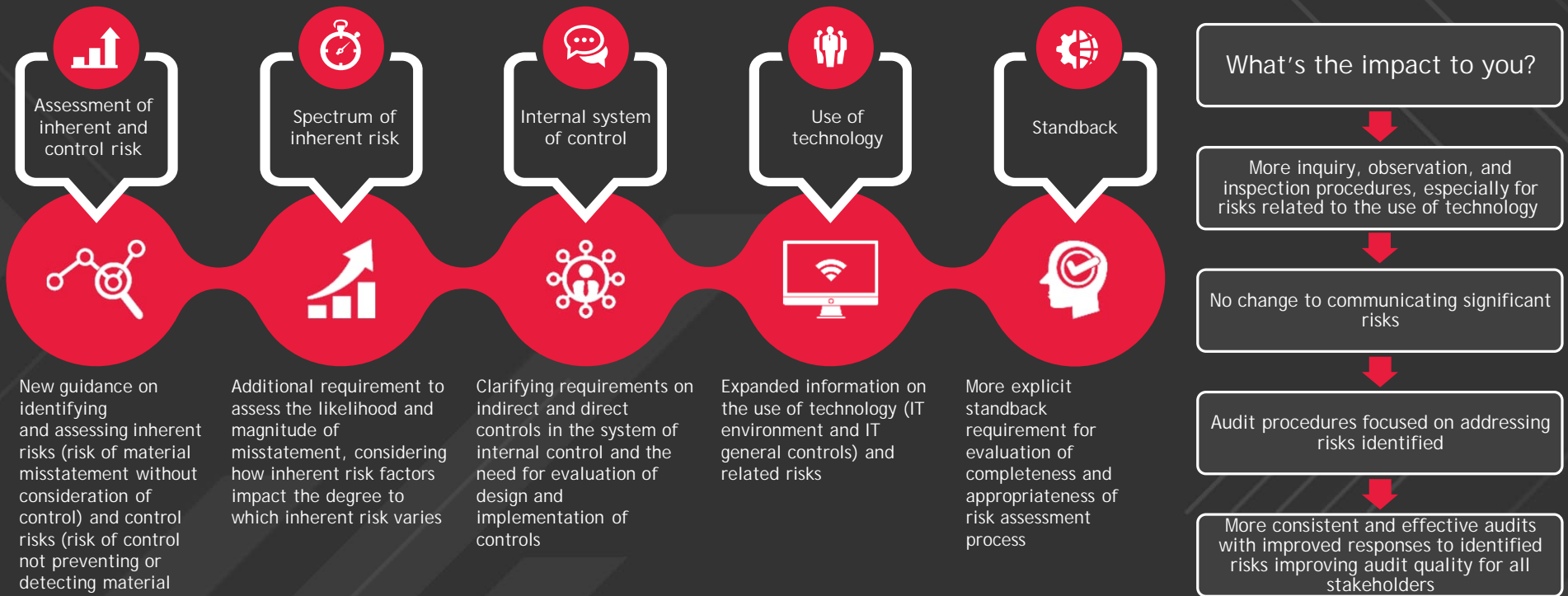
## ISQM 1

The quality of an audit depends not only on the people conducting it—but also on the systems underpinning it. These new rules up the ante for your audit quality.

[SEE THE STANDARD](#)

# Updates to our audit process

Canadian Auditing Standard 315, *Identifying and Assessing the Risks of Material Misstatement*, was significantly revised with a greater focus on more robust risk identification, assessment and response procedures. The standard is effective for periods beginning on or after December 15, 2021. Key enhancements include:





## Our audit approach: Responsiveness in action

Our firm is deliberately structured to allow one partner to every six staff members. This means easy access to senior staff and the lead partner throughout your audit. It also helps our team gain a better understanding of your organization. Our audit process differs from the typical audit in our use of in-field reviews, subject to COVID-19 safety protocols. The benefit of these in-field reviews is that final decision-makers are on site ensuring issues are resolved and files closed quickly. We offer clients the full-service expertise of a national firm. Yet we maintain a local community focus. The comprehensive range of services we deliver is complemented by a deep industry knowledge gained from over 100 years of working within local communities.



Discover how we're accelerating audit quality



### Audit Quality Report

We collected our core beliefs around audit quality, the very practical steps we take to sustain it, and the progress we have made to accelerate its quest.

[Follow our progress](#)

# BDO's digital audit suite

Our digital audit suite of technologies enables our engagement teams to conduct consistent risk-based audits, both domestically and internationally, with maximum efficiency and minimal disruption to our clients' operations and people.



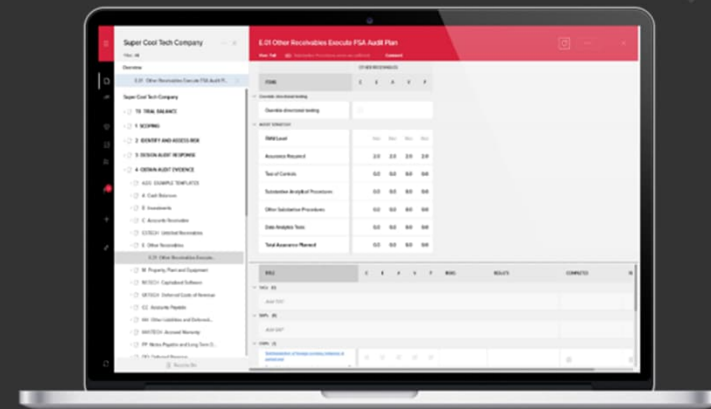
## APT Next Gen

Our audit software and documentation tool, APT, is an integral part of our audit methodology. Our professionals engage APT to devise and perform appropriate, risk-based audit procedures and testing based on applicable Canadian Auditing Standards (CASs), as well as to factor in engagement and industry-specific objectives and circumstances.

APT enables us to deliver an audit that fits your organization—whether large or small; complex or basic.

This sophisticated tool also amplifies two key attributes of our audits: consistency and quality. The quality framework that we developed measures our audit performance with hard quality indicators and reflects our indispensable culture for quality. To see our audit quality and consistency in action, look no further than how our teams share best audit practices for continuous improvement.

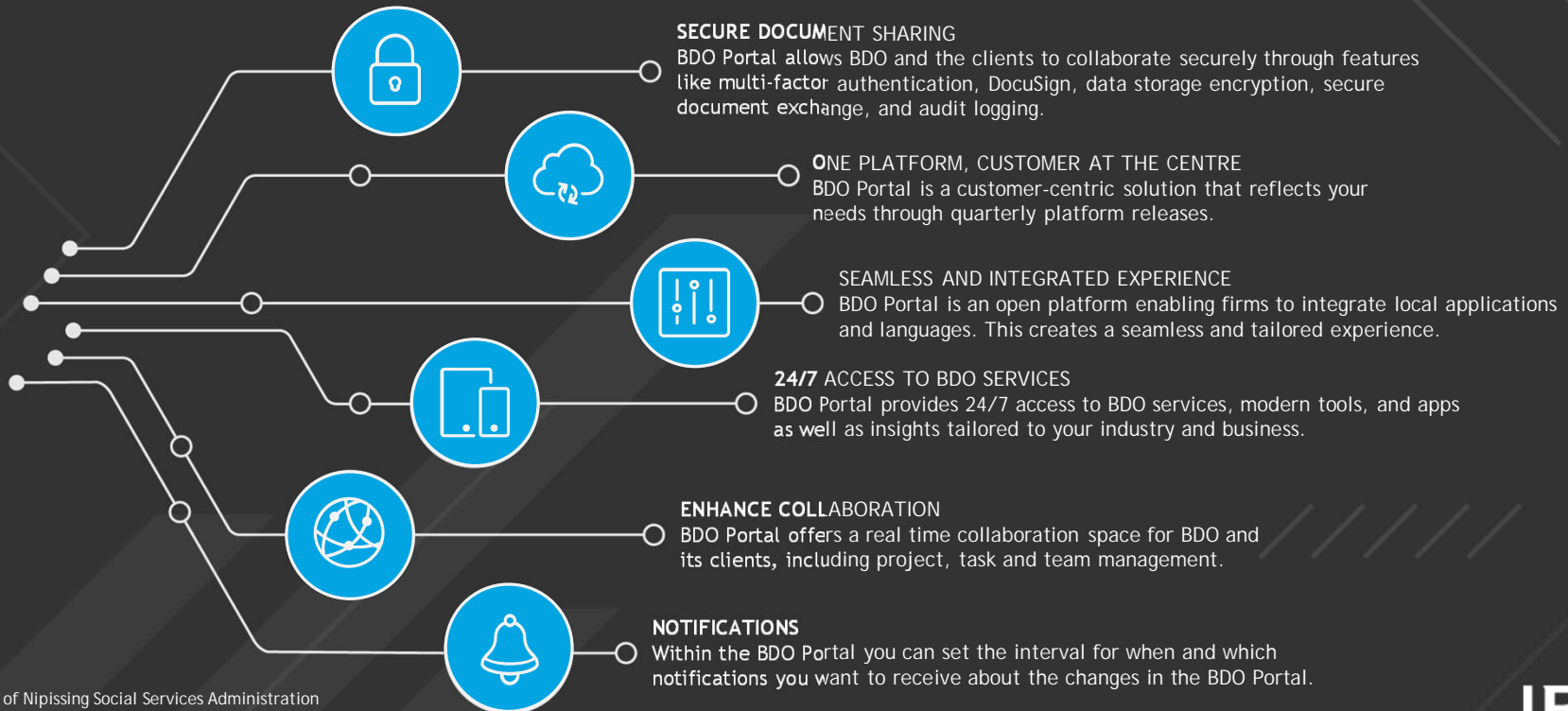
Through a strategic alliance with Microsoft and the introduction of new technology, this global, cloud-based application can now streamline and focus the audit process in even more ways for BDO professionals and their clients.





## BDO Portal

BDO Portal transforms and enhances your digital experience with your BDO advisors. Available at any time, Portal enables you to access all services, tools, apps, and information and to collaborate with your advisors in a seamless way through a flexible, appealing, and secure environment.



## Recommended resources

### Key changes to financial reporting



When the rules of reporting change, you may need to fine-tune how to present financial statements and govern the organization.

[ACCESS OUR KNOWLEDGE CENTRE](#)

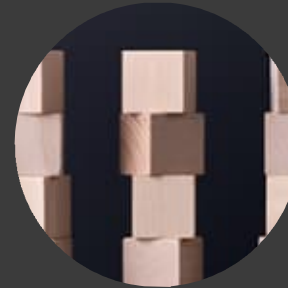
### 2022 Federal Budget



Understand the key elements of the 2022 Federal Budget and how it will impact you and your business.

[STAY ON TOP OF TAXES](#)

### 7 powerful steps to financial audit readiness



Getting and staying prepared for an audit simplifies the process, cuts turnaround time, and improves your chances of overall success. Learn how you can be audit ready.

[7 STEPS](#)

### Asset Retirement Obligations (ARO): A Practical Approach to Section PS 3280



This publication will walk through a practical approach to applying Section PS 3280 including: identification, recognition and measurement of an obligation, and the different options available to entities on transition.

[READ ARTICLE](#)

## Spotlight on sustainability

Fast-moving world events are pushing sustainability up the agenda of Canadian organizations. Now organizational leaders, investors, and customers are responding on three fronts: environmental, social, and governance (ESG).

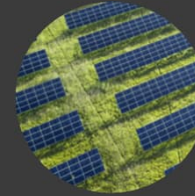
Regulators and issuers of standards are doing their part by supporting sustainability in the reporting ecosystem. Increasingly, organizations will need to go beyond the financials—and demonstrate sustainability with non-financial metrics.

5 reasons why businesses should care about ESG



[SEE 5 REASONS](#)

How climate change became a business issue worth reporting



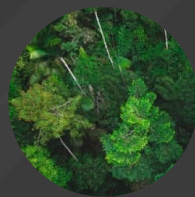
[READ ARTICLE](#)

10 Questions about sustainability reporting



[EXPLORE QUESTIONS](#)

Accounting for going green



[LEARN MORE](#)

Why CFOs should make sustainability a part of their financial reporting today



[BUILD BACK SUSTAINABLY](#)

Rethinking sustainability: the ESG roadmap



[SEE ROADMAP](#)



# Appendix A: Engagement Letter



Tel: 705-495-2000  
Fax: 705-495-2001  
Toll-free: 1-800-461-6324  
www.bdo.ca

BDO Canada LLP  
101 McIntyre Street West  
Suite 301  
North Bay, ON  
P1B 2Y5

February 12, 2021

District of Nipissing Social Services Administration Board  
200 McIntyre Street East  
North Bay, ON  
P1B 8J8

Dear Sirs/Mesdames:

We understand that you wish for us to continue as the auditors of District of Nipissing Social Services Administration Board for its fiscal year ended December 31, 2020 and subsequent years.

We are pleased to continue as your auditors subject to the terms and conditions of this Agreement, to which the attached Standard Terms and Conditions form an integral part. The definitions set out in the Standard Terms and Conditions are applicable throughout this Agreement. This Agreement will remain in place and fully effective for future years until varied or replaced by another relevant written agreement.

Dean Decaire, CPA, CA will be the Engagement Partner for the audit work we perform for you. The Engagement Partner will call upon other individuals with specialized knowledge to assist in the performance of services.

## Our Role as Auditors

We will conduct our audit(s) in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements prepared in accordance with Canadian public sector accounting standards are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by you, as well as evaluating the overall financial statement presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements, whether by fraud or error, may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to your preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your internal controls. However, we will communicate to you concerning any significant deficiencies in internal controls relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate matters required by professional standards, to the extent that such matters come to our attention, to you, those charged with governance and/or the board of directors.



## Reporting

Our audit will be conducted on the basis that the financial statements have been prepared in accordance with Canadian public sector accounting standards.

Our independent auditor's report will be substantially in the form set out in Canadian Auditing Standard (CAS) 700. The form and content of our report may need to be amended in the light of our audit findings. If we are unable to issue or decline to issue an audit report, we will discuss the reasons with you and seek to resolve any differences of view that may exist.

## Role of Management and Those Charged with Governance

You acknowledge and understand that you have responsibility for:

- (a) the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The audit of the financial statements does not relieve you of your responsibilities;
- (b) such internal controls as you determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- (c) providing us with:
  - access, in a timely manner, to all information of which you are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - additional information that we may request for the purpose of the audit;
  - unrestricted access to persons within the entity from whom we determine it is necessary to obtain audit evidence;
  - financial and non-financial information (other information) that will be included in document(s) containing financial statements and our audit report thereon prior to the date of our auditor's report. If it is not possible to provide all the other information prior to the date of our auditor's report, you are responsible for provision of such other information as soon as practicable; and
  - written confirmation concerning representations made to us in connection with the audit. If appropriate and adequate written representations are not provided to us, professional standards require that we disclaim an audit opinion.

## Financial Statement Services

We will obtain your approval, if during the course of our engagement we:

- (a) prepare or change a journal entry; or
- (b) prepare or change an account code or a classification for a transaction.

As agreed, we will provide assistance in the preparation of the financial statements.

These services create a threat to our independence. We, therefore, require that the following safeguards be put into place:





- (a) that you create the source data for all accounting entries;
- (b) that you develop any underlying assumptions for the accounting treatment and measurement of entries; and
- (c) that you review and approve the draft financial statements, including the notes to the financial statements.

### Tax Services

Our audit is conducted primarily to enable us to express an opinion on the financial statements. The audit process is not designed to provide us with a full understanding of your tax situation and in particular, to allow us to determine whether the entity has specific tax compliance issues. We understand that you are not looking to BDO to provide you with any guidance or advice in regard to tax planning or compliance.

### Additional Services

We are available to provide a wide range of services beyond those outlined in this Agreement. To the extent that any additional services that we provide to you that are not provided under a separate written engagement agreement, the provisions of this Agreement will apply to the services.

### Fee Estimation

The estimated fee for this engagement is as follows:

Audit services:	\$21,000
Tax services:	\$0
Additional services:	\$0

For each future year we will issue a Summary of Services providing details of our Services and fees.

We will notify you on a timely basis if there are any circumstances we encounter which could significantly affect our initial estimate of professional fees. Our fees will be invoiced and payable as follows:

- (\$Nil) prior to commencing annual assurance engagement;
- (\$Nil) interim payment;
- (\$Nil) prior to issuance of assurance report; and
- (\$21,000) within 10 days after issuance of our final invoice along with any additional required final payments.

We reserve the right to suspend our Services if any of our invoices become delinquent. Fees that are not paid within 30 days of an invoice or by a specified payment deadline will be considered delinquent.



Additional information relating to our fees is provided in the Standard Terms and Conditions.

### Standard Terms and Conditions

A copy of our Standard Terms and Conditions is attached as Appendix 1. You should ensure that you read and understand them. The Standard Terms and Conditions include clauses that limit our professional liability.

Please sign and return the attached copy of this Agreement to indicate your agreement with it. If you have any questions concerning this Agreement, please contact us before signing it.


It is a pleasure for us to be of service and we look forward to many future years of association with you.

Yours truly,

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Agreement of all the terms and conditions in this Agreement is hereby acknowledged by:

<p>DocuSigned by:    <small>7F6E1BB165AA475...</small></p>	<p>March 12, 2021</p>
<p>Signature</p>	<p>Date</p>
<p>Catherine Matheson</p>	<p>CAO</p>
<p>Name (please print)</p>	<p>Position</p>

Please carefully review this Agreement, which includes the attached Standard Terms and Conditions, prior to signing it. A complete copy of the signed engagement letter should be returned to us.

cc: Board of Directors



## Appendix 1 - Standard Terms and Conditions

### 1. Overview and Interpretation

1.1 This Agreement sets forth the entire agreement between the parties in relation to Services and it supersedes all prior agreements, negotiations or understandings, whether oral or written, with respect to Services. To the extent that any of the provisions of the accompanying letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.

1.2 In this Agreement, the following words and expressions have the meanings set out below:

This Agreement - these Standard Terms and Conditions, the letter to which they are attached, and any supporting schedules or other appendices to the letter, and any Summary of Services letters issued in future years.

Services - the services provided or to be provided under this Agreement

We, us, our, BDO - refer to BDO Canada LLP, a Canadian limited liability partnership organized under the laws of the Province of Ontario

You, your - the party or parties contracting with BDO under this Agreement, including the party's or parties' management and those charged with corporate governance. You and your does not include BDO, its affiliates or BDO Member Firms

BDO Member Firm or Firms - any firm or firms that form part of the international network of independent firms that are members of BDO International Limited

Confidential Information - information that contains identifying features that can be attributed to you or individual personnel

### 2. BDO Network and Sole Recourse

2.1 BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.

2.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.

2.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right to rely on and enforce Section 2.2 above as if they were a party to this Agreement.

### 3. Respective Responsibilities

3.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of Services.



- 3.2 You shall be responsible for your personnel's compliance with your obligations under this Agreement. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations.
4. Working Papers and Deliverables
  - 4.1 Ownership - Any documents prepared by us, or for us, in connection with Services belong solely to us.
  - 4.2 Oral advice and draft deliverables - You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.
  - 4.3 Translated documents - If you engage us to translate any documents, advice, opinions, reports or other work product of BDO from one language to another, you are responsible for the accuracy of the translation work.
  - 4.4 Reliance by Third Parties - Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any party other than you. Items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.
  - 4.5 Consent to use the Report - Nothing in this Agreement shall be construed as consent to the use of our report in connection with a continuous disclosure document, a public or private offering document, an annual report or any other document and we expressly do not provide such consent. If you request consent for the use of our report, we will consider, at the relevant time, providing consent and any conditions that we may attach to such consent. Our consent must be in writing.
  - 4.6 Consent requests - In order to provide consent, professional standards require that we read the other information in the related document and consider whether such information is materially inconsistent with the related financial statements. Any consent request must be made on a sufficiently timely basis to allow us to consider your identification and resolution of events occurring in the period since the date of our report, and to obtain updated written representation letters. Such procedures will be performed at your cost and will be documented in a separate engagement letter.
5. Confidentiality
  - 5.1 We agree to use Confidential Information provided by you only in relation to the Services in connection with which the information is provided and we will not disclose the information, except where required by law, regulation or professional obligation. We may however, give Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services. Any party to whom we subcontract work will be required to keep Confidential Information confidential either by professional obligation or contract with us. Any BDO Member Firms or other subcontractors we use will be bound by the same confidentiality obligations.
  - 5.2 BDO shall be entitled to include a description of the work we render to or for you in marketing and research materials and disclose such information to third parties, provided that all such information will be made anonymous and not associated with you. Additionally, we may analyze information on an industry or sector basis for internal purposes or to provide industry/sector wide information to our clients or potential clients.



You consent to our using information obtained from you in this way provided that the outputs therefrom will not contain any identifying features that can be attributed to you.

6. Independence
  - 6.1 Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to our clients in the performance of our Services. We will communicate to you any relationships between BDO (including its related entities) and you that, in our professional judgment, may reasonably be thought to bear on our independence.
7. Offers of Employment
  - 7.1 Any discussions that you, or any party acting on your behalf, have with professional personnel of our Firm regarding employment could pose a threat to our independence. Your recruitment of an engagement team member from the current or prior year's engagement may compromise our independence and our ability to render agreed Services to you. Engagement team members may include current and former partners and staff of BDO, other BDO Member Firms and other firms who work under our direction. Therefore, you agree to inform us prior to any such discussions so that you and we can implement appropriate safeguards to maintain our independence.
8. Professional and Regulatory Oversight
  - 8.1 As required by legal, regulatory, or professional authorities (both in Canada and abroad) and by BDO policy, our client files must periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this Agreement, you provide your consent to us providing our files relating to your engagement to the practice inspectors for the sole purpose of their inspection.
  - 8.2 Certain regulatory bodies may also have the right to conduct investigations of you, including the Services provided by us. To the extent practicable and permitted by law, we will advise you of any such investigation request or order prior to providing our working papers.
  - 8.3 You agree to reimburse us for our time and expenses, including reasonable legal fees, incurred in responding to any investigation that is requested or authorized by you or investigations of you undertaken under government regulation or authority, court order or other legal process.
9. Privacy and Consents
  - 9.1 You agree we will have access to all personal information in your custody that we require to complete our engagement. We may collect, use, transfer, store, or process such information disclosed by you of a personal nature (personal information). Our Services are provided on the understanding that:
    - (a) you have obtained any consents for collection, use and disclosure to us of personal information required under all applicable privacy legislation; and
    - (b) we will hold all personal information in compliance with our Privacy Statement.



10. Electronic Communications

- 10.1 Both parties recognize and accept the security risks associated with email communications, including but not limited to the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless you request in writing that we do not communicate by internet email, you assume all responsibility and liability in respect of risk associated with its use.
- 10.2 By signing this Agreement, you provide BDO with express consent to communicate with you and your employees, as applicable, electronically, including sending BDO newsletters, publications, announcements, invitations and other news and alerts that may be of interest to you. You and your employees may withdraw such consent at any time by contacting BDO at [www.bdo.ca/unsubscribe](http://www.bdo.ca/unsubscribe).

11. Limitation of Liability

- 11.1 In any dispute, action, claim, demand for losses or damages arising out of the Services performed by BDO pursuant to this Agreement, BDO shall only be liable for its proportionate share of the total liability based on degree of fault as determined by a court of competent jurisdiction or by an independent arbitrator as a result of the dispute resolution procedures, notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.
- 11.2 Our liability shall be restricted to damages of a direct and compensatory nature and shall not include indirect, consequential, aggravated or punitive damages, or damages for loss of profits or expected tax savings, whether or not the likelihood of such loss or damage was contemplated.
- 11.3 You agree that BDO shall in no event be liable to you for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the Services performed hereunder for an aggregate amount of more than the higher of:
  - (a) three times the fees paid to BDO by you, in a twelve consecutive month period, for the Services provided pursuant to this Agreement giving rise to the claim; and
  - (b) \$25,000.
- 11.4 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
- 11.5 You agree claims or actions relating to the delivery of Services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.

12. Indemnity

- 12.1 To the fullest extent permitted by applicable law and professional regulations, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of:



- (a) a misrepresentation by a member of your management or board of directors, regardless of whether such person was acting in your interest;
- (b) the Services performed by BDO pursuant to this Agreement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the gross negligence of BDO. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by you, failing which, the matter may be referred to dispute resolution in accordance with the terms of this Agreement.

### 13. Alternative Dispute Resolution

- 13.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this Agreement or the Services provided hereunder through good faith negotiations.
- 13.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation pursuant to the National Mediation rules of the ADR Institute of Canada Inc. All disputes remaining unsettled for more than 60 days following the parties first meeting with a mediator or such longer period as the parties mutually agree upon shall be subject to arbitration pursuant to the National Arbitration Rules of the ADR Institute of Canada Inc. Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision. The parties hereby waive any such right of appeal which may otherwise be provided for in any provincial arbitration statute made applicable under the National Arbitration Rules.

### 14. Limitation Period

- 14.1 You shall make any claim relating to Services or otherwise under this Agreement no later than one year after you became aware or ought reasonably to have become aware of the facts giving rise to any such claim.
- 14.2 You shall in no event make any claim relating to the Services or otherwise under this Agreement later than four years after the completion of the Services under this Agreement.
- 14.3 To the extent permitted by law, the parties to this Agreement agree that the limitation periods established in this Agreement replace any limitation periods under any limitations act and/or any other applicable legislation and any limitation periods under any limitations act and/or any other applicable legislation shall not alter the limitation periods specified in this Agreement.

### 15. Québec Personnel

- 15.1 We may sometimes have individual partners and employees performing Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assumes full personal civil liability arising from the practice of their profession, regardless of their status within our partnership. They may not invoke the liability of our partnership as grounds for excluding or limiting their own liability. The provisions in Sections 11 (Limitation of Liability) and 14 (Limitation Period) shall therefore not apply to limit the personal civil



liability of partners and employees who are members of the Ordre des comptables professionnels agréés du Québec.

16. Termination

16.1 This Agreement applies to Services whenever performed (including before the date of this Agreement).

16.2 You or we may terminate this Agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination. You agree to pay us for all Services performed up to the date of termination, including Services performed, work-in-progress and expenses incurred by us up to and including the effective date of the termination of this Agreement.

17. Fees and Billings

17.1 Our estimated fee is based on an assumed level of quality of your accounting records, the agreed upon level of preparation and assistance from your personnel and adherence to the agreed-upon timetable. Our estimated fee also assumes that your financial statements are in accordance with the applicable financial reporting framework and that there are no significant new or changed accounting policies or issues or internal control or other reporting issues. We will inform you on a timely basis if these factors are not in place.

17.2 Should our assumptions with respect to the quality of your accounting records be incorrect or should the conditions of the records, degree of cooperation, results of audit procedures, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

17.3 Our professional fees will be based on our billing rates which depend on the means by which and by whom our Services are provided. We also will bill you for our out-of-pocket expenses, our administrative charge (described below), and applicable Goods and Services Sales Tax, Harmonized Sales Tax, Quebec Sales Tax and Provincial Sales Tax.

17.4 Our administrative charge is calculated as a percentage of our professional fee and represents an allocation of estimated costs associated with our technology infrastructure, telephone charges, photocopying and some support staff time costs.

17.5 Our accounts are due when rendered and invoiced amounts are deemed to be earned when paid. BDO may suspend the performance of Services in the event that you fail to pay an invoice when it is due. Interest may be charged at the rate of 12% per annum on all accounts outstanding for more than 30 days.

18. Governing Laws

18.1 The terms of our engagement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of the province or territory in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law.





19. Survival

19.1 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

20. Force Majeure

20.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

21. Assignment

21.1 No party may assign, transfer or delegate any of the rights or obligations hereunder without the written consent of the other party or parties. BDO may engage independent contractors and BDO Member Firms to assist us in performing the Services in this Agreement without your consent.

22. Severability

22.1 If a court or regulator with proper jurisdiction determines that a provision of this Agreement is invalid, then the provision will be interpreted in a way that is valid under applicable law or regulation. If any provision is invalid, the rest of this Agreement will remain effective.

Version: 202006

## Appendix B: Fees

### Audit services

The total audit fees charged to date related to the year ended December 31, 2022, including fees and disbursements are as follows:

PRIOR YEAR audit final billing	\$21,000
CURRENT YEAR audit billing	\$21,000

We will reconfirm our independence and provide an update of the audit fees charged in the current fiscal year before the financial statements for the year ended December 31, 2022, are approved.

## BOARD REPORT FA02-23

For Information or  For Approval

**Date:** February 22, 2023

**Purpose:** 2023 Municipal Apportionment

**Prepared by:** Justin Avery, Manager of Finance

**Approved by:** Catherine Matheson, Chief Administrative Officer

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### ***Alignment with Strategic Plan: Healthy, Sustainable Communities***

Maximize Impact    Remove Barriers    Seamless Access    Learn & Grow

This report provides The District of Nipissing Social Services Administration Board (DNSSAB) the 2023 municipal apportionment figures for each municipality in the Nipissing district.

## **BACKGROUND**

The apportionment of the municipal share of the budget is calculated using the weighted assessment method. This is calculated by multiplying the taxable assessments by the property class tax ratios of the respective municipalities. This method is supported by the DSSAB Act, Ontario Regulation 278/98 section 6, and is the method which has always been utilized by the DNSSAB.

## **REPORT**

The apportionment calculation of the \$22,559,349 municipal share of the 2023 budget is based on the approved 2022 tax ratios from the municipalities in the District of Nipissing and the 2022 property current value assessment provided by MPAC (Municipal Property Assessment Corporation).

Of the municipal share of the budget, \$21,896,228 will be collected through levies from the 11 municipalities in the District of Nipissing and the balance of \$663,121 will be collected from the

Province for the TWOMO (Territories Without Municipal Organization) portion of the municipal share.

In total, the change in municipal share of the budget (or levy) year over year is 3.91%. However, since the apportionment is based on weighted assessments, the actual change in levy for a municipality may be more or less than 3.91% based on each municipality's respective assessments and tax ratios. The change in levy for the municipalities year over year ranges from a low of 2.09% to a high of 5.69%. See Appendix A for more details on the apportionment calculation and distribution of the municipal share of the budget.

## **COMMUNICATION**

For January and February 2023, levy invoices have been sent to the municipalities based on the 2022 apportionment calculation. An adjusting invoice with a supporting letter will be sent to each municipality in March 2023.

## **CONCLUSION**

The change in levy year over year for a municipality considers the total budget allocation to the municipalities, the 2022 property current value assessments, and the approved 2022 tax ratios by property class of the municipalities in the District of Nipissing. The apportionment calculation method is prescribed in the DSSAB Act.

# APPENDIX A

District of Nipissing Social Services Administration Board  
2023 Approved Budget \$- Municipal Apportionment

The weighted assessment figures have been calculated using 2022 Assessment Rolls and 2022 Tax Ratios.  
There are no Tax Ratios available for the Unincorporated Townships.

Municipality	A - Current Value Assessment Method used to determined Unincorporated share only			B - Weighted Assessment Method (Excl. PIL) - Actual			2023 Monthly Levy =Col. 6/12	2022 Budget Allocation	Variance Yr over Yr Budget Allocataion	Variance % Change
	Current Value Assessment-2021	%	Budget Allocation	Weighted Assessment-2021	%	Budget Allocation				
	1	2	3	4	5	6				
City of North Bay	5,693,528,675	-	-	6,752,036,244	60.7881%	13,713,389	1,142,782	13,194,757	518,632	3.93%
Municipality of West Nipissing	1,627,043,909	-	-	1,707,083,149	15.3687%	3,467,087	288,924	3,333,779	133,308	4.00%
Municipality of East Ferris	685,601,292	-	-	687,769,072	6.1919%	1,396,859	116,405	1,337,429	59,431	4.44%
Municipality of Temagami	497,216,300	-	-	501,402,463	4.5141%	1,018,349	84,862	988,551	29,798	3.01%
Township of Bonfield	296,580,965	-	-	284,567,144	2.5619%	577,956	48,163	557,782	20,174	3.62%
Township of South Algonquin	266,974,200	-	-	277,453,181	2.4979%	563,508	46,959	551,989	11,518	2.09%
Township of Papineau-Cameron	166,363,900	-	-	151,906,430	1.3676%	308,522	25,710	296,316	12,206	4.12%
Town of Mattawa	107,370,025	-	-	116,612,730	1.0499%	236,841	19,737	230,872	5,968	2.59%
Township of Chisholm	154,712,600	-	-	147,028,458	1.3237%	298,615	24,885	282,539	16,076	5.69%
Municipality of Calvin	90,774,600	-	-	127,213,826	1.1453%	258,371	21,531	250,979	7,392	2.95%
Township of Mattawan	28,137,600	-	-	27,933,453	0.2515%	56,733	4,728	55,121	1,612	2.92%
<b>Sub Total Municipalities</b>	<b>9,614,304,066</b>		<b>21,896,228</b>	<b>10,781,006,150</b>	<b>97.0606%</b>	<b>21,896,228</b>	<b>1,824,686</b>	<b>21,080,114</b>	<b>816,115</b>	<b>3.87%</b>
TWOMO - (MCCSS, EDU, & MMAH)	410,375,900		663,121							
<b>Sub Total Unincorporated</b>	<b>410,375,900</b>	<b>4.09%</b>	<b>663,121</b>	<b>410,375,900</b>	<b>2.9394%</b>	<b>663,121</b>	<b>55,260</b>	<b>630,562</b>	<b>32,558</b>	<b>5.16%</b>
<b>TOTAL</b>	<b>10,024,679,966</b>		<b>22,559,349</b>	<b>11,191,382,050</b>	<b>100.0000%</b>	<b>22,559,349</b>	<b>1,879,946</b>	<b>21,710,676</b>	<b>848,673</b>	<b>3.91%</b>
			Municipal share net of EMS			22,559,349				
			EMS Budget (municipal share)			663,121				
						21,896,228				

Note: TWOMO share of DNSSAB costs  
excludes Emergency Medical Services Costs