

July 21, 2020

Mr. Jason Burgess, Chief Administrative Officer  
50 Colborne Street S.  
Simcoe Ontario  
N3Y 4H3

**RE: Audit Findings Letter**

Dear Mr. Burgess:

We have been engaged to audit the financial statements of the Trust Funds of The Corporation of Norfolk County for the year ending December 31, 2019. Canadian generally accepted auditing standards for audit engagements require that we communicate the following information with you in relation to our audit.

**Evaluation of Internal Controls**

Audits include a review and evaluation of the system of internal controls to assist in determining the level of reliance that may or should be placed on the system in assessing the nature and extent of audit procedures to be undertaken. During the course of our audit, we encountered one issue with internal control matters that we wish to bring to your attention. The issue noted and our suggested recommendation represents an area where the County can improve its internal controls with respect to cemetery trust funds.

The tracking of cemetery plots sold during the year is lacking in that it does not provide details on how many plots are available for sale in each of the cemeteries. The tracking of markers installed on plots during the year is lacking in that Norfolk County does not track markers installed on plots during the year. These deficiencies in internal controls provides an opportunity for the completeness of plots and markers sales to be questioned. We recommend that the County take an inventory of cemetery plots and markers to determine how many plots and markers are available for sale and track these sales on an ongoing basis to ensure the completeness of revenue.

**Significant Accounting Principles**

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our audit. The accounting policies used by The Corporation of Norfolk County are described in the Notes to the financial statements.

There were no new accounting policies adopted or changes to the application of accounting policies of the Trust Funds of The Corporation of Norfolk County during the year.

**Significant Unusual Transactions**

We are not aware of any significant or unusual transactions entered into by The Corporation of Norfolk County that you should be informed about.

## **Accounting Estimates**

Management is responsible for the accounting estimates included in financial statements. Estimates and the related judgments and assumptions are based on management's knowledge of the business and past experience about current and future events.

Our responsibility as auditors is to obtain sufficient appropriate evidence to provide reasonable assurance that management's accounting estimates are reasonable within the context of the financial statements as a whole. An audit includes performing appropriate procedures to verify the:

- Calculation of accounting estimates;
- Analyzing of key factors such as underlying management assumptions;
- Materiality of estimates individually and in the aggregate in relation to the financial statements as a whole;
- Estimate's sensitivity to variation and deviation from historical patterns;
- Estimate's consistency with the entity's business plans; and
- Other audit evidence.

We did not encounter any problems with management's estimates during the course of our audit.

## **Disagreements with Management**

We are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate significant to the trust funds' financial statements or auditor's report. Disagreements may arise over:

- Selection or application of accounting principles;
- Assumptions and related judgments for accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the auditor's report.

We are pleased to inform you that we had no disagreements with management during the course of our audit.

## **Issues Identified**

The Audry Hellyer Trust (balance of \$14,804) and Mable Cattle Trust (balance of \$844) originating documentation stating the terms and restrictions of the funding have been misplaced through the amalgamation and separation of The Corporation of Norfolk County. We recommend that the County redefine the terms and restrictions of the above mentioned trusts.

**Difficulties Encountered During the Audit**

We encountered no significant difficulties during our audit that should be brought to the attention of Council.

We would be pleased to discuss with you further any matters mentioned above, at your convenience.

Yours truly,

***Millard, Rouse and Rosebrugh LLP***

*Chartered Professional Accountants*

A handwritten signature in black ink, appearing to read "Jeff O'Donnell".

Jeff O'Donnell, CPA, CA  
Licensed Public Accountant  
Partner

CC: Kathy Laplante - Interim Treasurer, Manager of Financial Planning and Reporting