

July 9, 2024
Confidential

The Corporation of Norfolk County
50 Colborne Street S.
Simcoe Ontario N3Y 4H3

Attention: Members of Council

Dear Amy:

Re: Audit findings letter

This letter has been prepared to assist you with your review of the financial statements of the Trust Funds of The Corporation of Norfolk County for the year ending December 31, 2023. We look forward to meeting with you and discussing the matters outlined below.

Significant Matters Arising

Changes to Audit Plan

There were no changes to the audit plan (as previously presented to you).

Other matters

We have not identified any other significant matters that we wish to bring to your attention at this time.

Comments on Accounting Practices

Accounting Policies

The significant accounting policies used by the entity are outlined in Note 1 to the financial statements.

- a. There were no significant changes in accounting policies.
- b. We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
- c. We did not identify any significant accounting policies in controversial or emerging areas.

Significant Accounting Estimates

The following significant estimates/judgments are contained in the financial statements:

- a. Accrued liabilities.

Based on audit work performed, we are satisfied with the estimates made by management.

Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention other than the following: Note 4, which describes the Corporation's assumption of an additional rural cemetery board's perpetual Care and Maintenance Trust Fund. A retroactive adjustment of \$58,081 was made to reflect this addition.

Significant Deficiencies in Internal Control

A deficiency in internal control exists when a risk is not treated by a control or when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of TCWG.

To identify and assess the risks of material misstatement in the financial statements, we are required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, we do not express any such opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control, or any other control deficiencies, will be identified during our audit.

Previously we have noted that the tracking of cemetery plots and markers sold during the year is lacking in that it does not provide details on how many plots and markers are available for sale in each of the cemeteries. These deficiencies in internal controls provides an opportunity for the completeness of plots and markers sales to be questioned. It was noted that in 2020, the Corporation completed an inventory of plots at Oakwood Cemetery. We recommend that the Corporation continues to take an inventory of all other owned 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.

Independence

We have developed appropriate safeguards and procedures to eliminate threats to our independence or to reduce them to an acceptable level. We confirm that we have complied with relevant ethical requirements regarding independence.

Other Audit Matters of Governance Interest

The Audrey Hellyer Trust (balance of \$16,525) 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 Corporation redefine the terms and restrictions of the above mentioned trusts.

We would like to thank management and staff for the assistance they provided to us during the audit.

We hope the information in this audit findings letter will be useful. We would be pleased to discuss them with you and respond to any questions you may have.

This letter was prepared for the sole use of TCWG of The Corporation of Norfolk County to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,

Millard, Rouse & Rosebrugh LLP

Chartered Professional Accountants



Matt McNally, CPA, CA
Partner

Agreed on behalf of the management of The Corporation of Norfolk County by:

Amy Fanning, Treasurer

July 9, 2024
Date signed