

DRAFT

July, 2018

United Townships of Head, Clara & Maria
15 Township Hall Road
Stonecliffe, ON
K0J 2K0

PRIVATE AND CONFIDENTIAL

Dear Members of Council:

Re: Audit of the December 31, 2017 Financial Statements

The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management in discharging its responsibilities. In addition, an audit cannot be expected to disclose defalcations and other irregularities and it is not designed to express an opinion as to whether the systems of internal control established by management have been properly designed or have been operating effectively.

Please note that under Canadian generally accepted auditing standards we must report significant deficiencies to those charged with governance.

This letter is not exhaustive, and deals with the more important matters that came to our attention during the audit. Minor matters were discussed verbally with your staff. We do have one internal control recommendation that we would like to bring to your attention.

We recommend that staff ensure that bank reconciliations are prepared before the end of the following month that is being reconciled. This recommendation is further enhanced with the connectivity issues the software system is having between the sub-ledgers and general ledger. We believe a timely reconciliation will provide staff with greater opportunity to discover any connectivity issues in a timely manner.

We would like to express our appreciation for the co-operation and assistance which we received during the course of our audit from your employees.

We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Yours very truly,

Peter Harrington, CPA, CA
Welch LLP

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