



# Minutes

## **Audit Committee Meeting March 2, 2016**

Minutes of a meeting of the Audit Committee (AUC) held in the offices of the association, 40 Sheppard Avenue West, North York, Ontario, on March 2, 2016 commencing at 5:00 pm.

### **In attendance:**

### **Audit Committee Members:**

Ewald Kuczera, M.Sc., P.Eng., (Chair)  
Santosh Gupta, P. Eng., FEC, (Vice-Chair)  
Thomas Chong, M.Sc., P.Eng., FEC, PMP, President  
Danny Chui, P.Eng., FEC (via conference)  
Ed Nelimarkka, MBA, BESC, P.Eng. (via conference)  
Craig Young, P.Eng., CPA, CMA (via conference)

**Staff:** Gerard McDonald, Registrar  
Maria Cellucci, CPA, CA, Controller  
Chetan Mehta, Manager, Financial Services  
Lucy Capriotti, Administrative Assistant

**Regrets:** Changiz Sadr, P.Eng., FEC

**Guests:** Steve Stewart (Deloitte)

### **1. Approval of Agenda**

A motion to approve the agenda was passed by the members.

**MOTION**

That the agenda as presented be approved.

Moved by T. Chong and seconded by S. Gupta

**MOTION CARRIED**

**2. Approval of Minutes from November 24, 2015**

A motion to approve the Minutes was passed by the members.

**MOTION**

That the Minutes as presented be approved.

Moved by T. Chong and seconded by C. Young.

**MOTION CARRIED**

**3. Business Arising from the Minutes**

No other business was discussed.

**4. Deloitte Report on the 2015 Audit**

S. Stewart discussed the highlights of the audit process. He discussed significant risks identified.

Materiality and other important concepts were discussed at the planning meeting. Deloitte used 3 percent of the organizations revenue as the basis for materiality - this worked out to \$711,000. S. Stewart advised that there were no errors identified in the audit.

Status of the audit: S. Stewart advised that all field work was completed and the testing was done. There were no issues during the audit in terms of controls and Deloitte is satisfied that the organization has a good internal control system and that the controls tested are implemented and designed properly.

Fraud Risk: Deloitte looks for evidence to support the amounts in disclosures in the financial statements and there was nothing to report during the audit.

Conclusion: The audit was performed in accordance with Canadian Auditing Standards and nothing came up during the audit that impacted the plan presented to the Audit committee in November.

T. Chong asked that information be add to the Q&A on employee future benefits.

#### **IN CAMERA SESSION WITH DELOITTE (NOT RECORDED)**

### **5. Review and approval of 2015 Audited Financial Statements**

M. Cellucci to add to information on the employee future benefits in the Council report and also include information on this in the Q&A.

M. Cellucci discussed Appendix A-1 Statement of Revenue and Expenses in detail and answered questions by the committee.

#### **MOTION**

That the Audit Committee approves the Audited Financial Statements for the year ended December 31, 2015 and recommend to Council that Council:

- a) Approve the Audited Financial Statements for the year ended December 31, 2015, and the Auditor's report thereon, as presented to the meeting at C-505-2. 1, Appendix A; and
- b) Authorize the President and President-elect to sign the statements on Council's behalf.

Moved by S. Gupta and seconded by T. Chong. Vote was unanimous.

#### **MOTION CARRIED**

E. Kuczera advised of changing the date on the Management Representation letter from December 31, 2014 to December 31, 2015. M. Cellucci advised that she will adjust the letter.

### **6. Recommendation of Auditor for 2016 / RFP scheduled for 2016**

#### **MOTION**

Recommend to Council that Council recommend to members at the April 2016 Annual General Meeting the appointment of Deloitte LLP as PEO's auditor for 2016 to hold office until the next annual meeting or until their successor is appointed.

Moved by T. Chong and seconded by C. Young

**MOTION CARRIED**

**7. Other Business**

S. Stewart advised that the audit of the pension plan would be completed by no later than Mar 21 or Mar 22, 2016.

The AUC members advised that they would like to have a meeting in person to review the audited pension plan financial statements for the year ending December 2015. S. Stewart from Deloitte was requested that he be present for this meeting.

**8. Date of Next Meeting**

A Doodle poll will be sent to schedule a meeting the week of March 28<sup>th</sup> or week of April 4<sup>th</sup>.

**8. Adjournment**

The meeting adjourned at 6:40 p.m.