Appendix B: Audit Service Guideline

	Our commitment to you and expectations of the City	Additional audit services[(a)]
Audit readiness and monitoring of audit progress	• We will provide a detailed listing of audit information requests and agree with management upfront the required dates to provide the requested information. • We will agree with you the start dates of our interim and year-end audit fieldwork. A completed trial balance that includes all management year-end closing entries will be provided at a date agreed to upfront with management. • We will hold periodic meetings with management (dates and times to be agreed upfront) to discuss the status of the audit. As part of these meetings, we will provide a detailed list of outstanding items and will highlight any items that require more urgent attention and follow-up.	• Significant delays in receiving requested information that results in idle staff time or staffing changes or any changes to the trial balance subsequent to the agreed upon date that results in additional audit testing.
Significant accounting and reporting matters	• We will hold meetings with key staff at the City as part of the audit planning process to understand significant developments and changes for the current year and share with you our views on the accounting and audit implications. • For significant new developments that have an accounting, reporting and/or auditing impact, management will prepare a position paper, in a format as outlined in our summary of audit information requests, summarizing the issue, the technical analysis/research supporting management's position and the impact to the City.	• Time incurred to assist management with the accounting to support the position paper. • Time incurred to perform additional audit procedures, as necessary, to validate significant adjustments to the financial statements.

	Our commitment to you and expectations of the City	Additional audit services
Financial statement review	• Year-end financial statements and note disclosures will be prepared and reviewed by management and provided to us for our review in accordance with the timelines as outlined in our audit information request listing. • We will review two versions of the financial statements. We will provide our comments, including any suggestions for change to management, on the first version and will review a second version of the financial statements for any changes made as a result of our initial review.	• Significant revisions to the financial statements (i.e. re- writing of note disclosures or pervasive mathematical errors and/or internal inconsistencies) and reviewing multiple versions of the financial statements (i.e. more than two versions with significant changes).
Audit Committee	• We will attend one meeting at year end to present our draft year-end audit report (summarizing our key audit findings) to management and discuss any comments or revisions suggested by management. • In addition, we will attend two Audit Committee meetings to present our audit plan and final year-end audit report.	• Additional meetings with the Audit Committee and additional drafting sessions or clearance meetings with management.

(a) Amounts may be billed for additional audit services (in the areas noted above) that are determined to be beyond the original scope of the audit. We will agree upfront with City management the nature and scope of the additional audit services, including an estimate of the additional time and effort, prior to commencing the audit work.