

DUDLEY & COMPANY LLP

Chartered Professional Accountants

Regina, Saskatchewan
Suite 100-2255 13th Avenue
S4P 0V6

Phone: 306-757-5555
Fax: 306-525-3236

Carlyle, Saskatchewan
PO Box 970, 215 Main St
S0C 0R0

Phone: 306-453-5555
Fax: 306-453-0101

November 1, 2024
Confidential

Rural Municipality of Willner No. 253
101 Lincoln Street
Davidson SK S0G 1A0

Attention: Michelle Bublish, CAO

Dear Michelle:

Re: Engagement letter

The Objective and Scope of the Audit

You have requested that we audit the financial statements of Rural Municipality of Willner No. 253, which comprise the statement of financial position as at December 31 and the statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements (including a summary of significant accounting policies), as well as a summary ("synopsis") of the above financial statements.

We are pleased to confirm our acceptance and our understanding of the nature, scope and terms of this audit engagement and all services related thereto, by means of this letter (the "Engagement").

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement (whether due to fraud or error) and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The Responsibilities of the Auditor

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements (whether due to fraud or error), design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.

* Richard M. LeGrand
Managing Partner, CPA, CA

* Darren G. Schaan
Partner, CPA, CA

* Christopher W. Pollon
Partner, CPA, CA

* Grant D. Wirth
Partner, CPA, CA

* Colin A. Wirth
Partner, CPA, CA

* Brent D. McLean
Partner, CPA, CA

* Denotes Professional Corporation

- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements (including the disclosures) and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

Form and Content of Audit Opinion

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

To the council of Rural Municipality of Willner No. 253

Opinion

We have audited the financial statements of Rural Municipality of Willner No. 253 (the Municipality), which comprise the statement of financial position as at December 31 and the statements of operations, change in net financial assets, and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2024 and the results of its operations and its cash flow for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that

includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

If we conclude that a modification to our opinion on the financial statements is necessary, we will discuss the reasons with you in advance.

The Responsibilities of Management

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with the Canadian Public Sector Accounting Standards;
- b. For the design and implementation of such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- c. To provide us with timely:
 - i. Access to all the information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
 - ii. Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of non-compliance with legislative or regulatory requirements;
 - iii. Additional information that we may request from management for the purpose of the audit; and
 - iv. Unrestricted access to persons within Rural Municipality of Willner No. 253 from whom we determine it necessary to obtain audit evidence.

As part of the audit process:

- a. We will make inquiries of management about the representations contained in the financial statements. At the conclusion of the audit, we will request from management [and, where appropriate, those charged with governance] written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that we would be required to disclaim an audit opinion.
- b. We will communicate any misstatements identified during the audit other than those that are clearly trivial. We request that management correct all the misstatements presented to you via our suggested journal entries.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each practitioner must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of Rural Municipality of Willner No. 253 unless:

- a. We have been specifically authorized with prior consent;
- b. We have been ordered or expressly required by law or by the Saskatchewan *Code of Professional Conduct/Code of Ethics*; or
- c. The information requested is (or enters into) public domain.

Communications

In performing our services, we will send some messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus, or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues, or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

Use of Information

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a. You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b. We will hold all personal information in compliance with our Privacy Statement.

Use and Distribution of Our Report

The examination of the financial statements and the issuance of our audit report are solely for the use of Rural Municipality of Willner No. 253 and the applicable Ministry of the Province of Saskatchewan. We make no representations or warranties of any kind to any other third party in respect of these financial statements or our audit report, and we accept no responsibility for their use by any third party or any liability to anyone other than Rural Municipality of Willner No. 253.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

If you require our consent in this regard, management agrees to provide, on a timely basis, a draft of the other information for our review prior to the issuance of the audit report.

Reproduction of Auditor's Report

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website or to consider the consistency of other information on the electronic site with the original document.

Preparation of Schedules

We understand that you will prepare certain schedules and locate specified documents for our use before our Engagement is planned to commence.

This assistance will facilitate our work and help to minimize our costs. Conversely, failure to provide these working papers or documents on a timely basis may impede our services, causing timing delays and/or increased costs.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

File Inspections

In accordance with professional regulations (and by our firm policy), our client files may be periodically reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to our professional and firm standards. File reviewers are required to maintain confidentiality of client information.

Accounting Advice

Except as outlined in this letter, this Engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement.

Governing Legislation

This engagement letter is subject to, and governed by, the laws of the Province of Saskatchewan. The Province of Saskatchewan will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

Indemnity

Rural Municipality of Willner No. 253 hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a. The breach by Rural Municipality of Willner No. 253, or its council, officers, agents or employees, of any of the covenants or obligations of Rural Municipality of Willner No. 253 herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b. A misrepresentation by a member of your management or council.

Time Frames

We will use all reasonable efforts to complete the Engagement as described in this letter within the Ministry-required time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by Rural Municipality of Willner No. 253 of its obligations.

Concerns

If at any time you would like to discuss our services or make a complaint, please contact your engagement partner or Rick LeGrand at 306-757-5555. We will listen to your concerns and investigate any complaint on a timely basis.

Fees at Regular Billing Rate

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses. An invoice for the audit fees plus applicable GST and PST will be rendered upon completion of the audit and are due when rendered. Fees for any additional services will be established separately.

Billing

Our fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 2.00% per month or 26.82% (APR) per annum. We reserve the right to suspend our services or to withdraw from this Engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.

Termination

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party [*not less than 30 calendar days before the effective date of termination*]. If early termination takes place, Rural Municipality of Willner No. 253 shall be responsible for all time and expenses incurred up to the termination date.

Survival of Terms

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

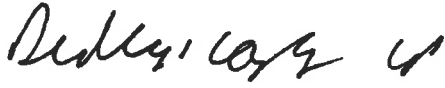
Conclusion

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the attached copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your municipality.

Yours truly,



Dudley & Company LLP

Chartered Professional Accountants

Acknowledged and agreed to on behalf of Rural Municipality of Willner No. 253 by:

Date signed

Date signed

PRIVACY NOTICE TO CLIENTS

Dudley & Company LLP recognizes that the privacy of your personal information is important. This privacy notice is designed to explain to you what personal information the firm collects about you, and the use that information is put to. The notice will also explain how your personal information is kept and is made secure from inappropriate disclosure or use.

COLLECTION AND USE OF PERSONAL INFORMATION

Dudley & Company LLP only uses your personal information to prepare the tax filings or financial information you have requested in the engagement letter you signed, unless you direct us to release your personal information for other purposes.

DISCLOSURE OF PERSONAL INFORMATION

Dudley & Company LLP does not supply any of your personal information to other companies for any purpose without your consent, unless required to do so by law.

We share your personal information internally with those partners and staff of the firm who need it to complete your work. As well, provincial practice inspectors who must periodically review our client files in accordance with professional regulations will also have access to your information. They are required to maintain confidentiality of all client information.

RETENTION OF PERSONAL INFORMATION

In most cases, we are required by law to keep your personal information for a specified period of time. For example, where information is collected for tax purposes we are required to retain this information for six years for audit purposes. We will also normally retain information that may be required to document historical background for transactions that may occur in the future.

ACCURACY OF PERSONAL INFORMATION

We rely on you to notify us of any changes in personal information that we are required to report.

PROTECTION OF PERSONAL INFORMATION

Partners and employees are provided with training and information regarding the proper handling of personal information. All information stored in our computer system is protected from access by unauthorized users. Information that is stored in document form will be securely stored to prevent access by unauthorized persons.

ACCESS TO PERSONAL INFORMATION

Generally, Dudley & Company LLP will provide you with the personal information we have about you on your request.

In some cases, Dudley & Company LLP may not be able to provide you with all the information we have about you. This would occur if provision of the information could lead to disclosure of another individual's personal information, where laws or regulations prevent disclosure, or where it would simply be too costly to provide the information. If we decide not to disclose some or all of your personal information to you, we will advise you of the reason.

In order to ensure compliance, Dudley & Company LLP has appointed a Privacy Officer to oversee all aspects of its privacy policies and practices. If you wish to know what information Dudley & Company LLP currently has about you, you should send a written request to:

Darren Rumpel, Privacy Officer

100 – 2255 13th Avenue

Regina, Saskatchewan, S4P 0V6

E-mail: darren.rumpel@dudleyllp.ca

Our Privacy Officer will respond to your request within 30 days. If you become aware that the information we have about you is incorrect, you should notify the Privacy Officer, who will ensure the information is updated.

FILING A COMPLAINT

If you are dissatisfied with Dudley & Company's privacy policies or practices, you should make a written complaint to our Privacy Officer, Darren Rumpel. The Privacy Officer will investigate the matter and take corrective action where necessary. The Privacy Officer will then report back to you and advise you of any steps taken to correct the problem. If you are still unsatisfied with the response, you may be entitled to make a written complaint to the Federal or Provincial Privacy Commissioner (where applicable).

BANK CONFIRMATION

(Areas to be completed by client are marked §, while those to be completed by the financial institutions are marked †)

<p>FINANCIAL INSTITUTION (Name, branch and full mailing address)</p> <p>Bank of Montreal 700 Railway Street Davidson, Saskatchewan S0G 1A0</p>	<p>CLIENT (Legal name)</p> <p>Rural Municipality of Willner 101 Lincoln Street Davidson, Saskatchewan S0G 1A0</p> <p>The financial institution is authorized to provide the details requested herein to the below-noted firm of accountants</p> <p>§ _____ Client's authorized signature</p> <p>Please supply copy of the most recent credit facility agreement (initial if required) § _____</p>
<p>CONFIRMATION DATE §December 31, 2024 (All information to be provided as of this date) (See Bank Confirmation Completion Instructions)</p>	

1. LOANS AND OTHER DIRECT AND CONTINGENT LIABILITIES (If balances are nil, please state)				
NATURE OF LIABILITY/ CONTINGENT LIABILITY †	INTEREST (Note rate per contract) RATE † DATE PAID TO †	DUE DATE †	DATE OF CREDIT FACILITY AGREEMENT †	AMOUNT AND CURRENCY OUTSTANDING †
Any other accounts				

ADDITIONAL CREDIT FACILITY AGREEMENT(S)

Note the date(s) of any credit facility agreement(s) not drawn upon and not referenced above †

2. DEPOSITS/OVERDRAFTS					
TYPE OF ACCOUNT §	ACCOUNT NUMBER §	INTEREST RATE §	ISSUE DATE (If applicable)§	MATURITY DATE (If applicable)§	AMOUNT AND CURRENCY (Brackets if Overdraft) †
Treasury	0620 1005-542				
GIC	51477459				
Any other accounts					

EXCEPTIONS AND COMMENTS
(See Bank Confirmation Completion Instructions) †

STATEMENT OF PROCEDURES PERFORMED BY FINANCIAL INSTITUTION †
The above information was completed in accordance with the Bank Confirmation Completion Instructions.

Authorized signature of financial institution

BRANCH CONTACT - Name and telephone number

Please fax this form directly to Carley Wild at 306-525-3236 or mail it to the address below

Name: DUDLEY & COMPANY LLP
Address: 2255 13th Ave - Suite 100
Regina, Saskatchewan
S4P 0V6

Telephone: 306-757-5555
Fax: 306-525-3236

**Dudley & Company LLP, Chartered Professional Accountants
2255 13th Avenue, Regina, Saskatchewan**

November 1, 2024

Rural Municipality of Willner No. 253
101 Lincoln Street
Davidson, SK
S0G 1A0

To the Council

We have been engaged to audit the financial statements of Rural Municipality of Willner No. 253 for the year ending December 31, 2024. Canadian auditing standards require that we communicate the following information with you in relation to your audit.

Management is responsible for establishing and maintaining an adequate internal control structure and procedures for financial reporting. This includes the design and maintenance of accounting records, recording transactions, selecting and applying accounting policies, safeguarding of assets and preventing and detecting fraud and error.

Our Responsibility as Auditors

As stated in the engagement letter signed by the administrator, our responsibility as auditors of your rural municipality is to express an opinion on whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the rural municipality in accordance with Canadian public sector accounting standards.

An audit is performed to obtain reasonable but not absolute assurance as to whether the financial statements are free of material misstatement. Due to the inherent limitations of an audit, there is an unavoidable risk that some misstatements of the financial statements will not be detected (particularly intentional misstatements concealed through collusion), even though the audit is properly planned and performed.

Our audit includes:

- Assessing the risk that the financial statements may contain misstatements that, individually or in the aggregate, are material to the financial statements taken as a whole; and
- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

As part of our audit, we will obtain a sufficient understanding of the operations and the internal control structure of the Rural Municipality of Willner No. 253 to plan the audit. This will include management's assessment of:

- The risk that the financial statements may be materially misstated as a result of fraud and error; and,
- The internal controls put in place by management to address such risks.

Council Members' Responsibilities

The Council's role is to act in an objective, independent capacity as a liaison between the auditors, and management, to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

The Council's responsibilities include:

- Being available to assist and provide direction in the audit planning process when and where appropriate;
- If deemed necessary, meeting or otherwise discussing with the auditors and prior to release and approval of financial statements to review audit, disclosure and compliance issues;

- Where necessary, reviewing matters raised by the auditors with appropriate levels of management, and reporting back to the auditors their findings;
- Making known to the auditors any issues of disclosure, corporate governance, fraud or illegal acts, non-compliance with laws or regulatory requirements that are known to them, where such matters may impact the financial statements or auditor's report;
- Providing guidance and direction to the auditors on any additional work they feel should be undertaken in response to issues raised or concerns expressed;
- Making such enquiries as appropriate into the findings of the auditors with respect to corporate governance, management conduct, cooperation, information flow and systems of internal controls;
- Reviewing the draft financial statements, including the presentation, disclosures and supporting notes and schedules, for accuracy, completeness and appropriateness;

Audit Approach

Outlined below are certain aspects of our audit approach which are intended to help you in discharging your oversight responsibilities. Our general approach to the audit of Rural Municipality of Willner No. 253 is to assess the risks of material misstatement in the financial statements and then respond by designing audit procedures.

Illegal Acts, Fraud, Intentional Misstatements and Errors

Our auditing procedures, including tests of your accounting records, are limited to those considered necessary in the circumstances and would not necessarily disclose all illegal acts, fraud, intentional misstatements or errors should any exist. We will conduct the audit under Canadian auditing standards (CAS), which include procedures to consider (based on the control environment, governance structure and circumstances encountered during the audit), the potential likelihood of fraud and illegal acts occurring.

These procedures are not designed to test for fraudulent or illegal acts, nor would they necessarily detect such acts or recognize them as such, even if the effect of their consequences on the financial statements is material. However, should we become aware that an illegal or possible illegal act or an act of fraud may have occurred, other than one considered clearly inconsequential, we will communicate this information directly to the Council.

It is management's responsibility to detect and prevent illegal actions. If such acts are discovered or Council members become aware of circumstances under which the rural municipality may have been involved in fraudulent, illegal or regulatory non-compliance situations, such circumstances must be disclosed to us. Management, including Council, should assess the risk of fraud and complete the brief fraud risk questionnaire attached as an appendix to this letter.

Related Party Transactions

During our audit, we conduct various tests and procedures to identify transactions considered to involve related parties. Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Related parties also include management, council members and their immediate family members and companies with which these individuals have an economic interest.

We will ensure that all related party transactions that were identified during the audit have been represented by management to have been disclosed in the notes to financial statements, in accordance with Canadian Public Sector Accounting Standards section PS 2200, and have been reviewed with you. Management is to advise whether any other related party transactions have occurred that have not been disclosed to us. The Council is also required to advise us if they are aware of or suspect any other related party transactions which have occurred at values different from that which would be arrived at if the parties were unrelated and which have not been disclosed in the financial statements.

Risk-based

Our risk-based approach focuses on obtaining sufficient appropriate audit evidence to reduce the risk of material misstatement in the financial statements to an appropriately low level. This means that we focus our audit work on higher risk areas that have a higher risk of being materially misstated.

Audit Procedures


In responding to our risk assessment, we will use a combination of tests of controls, tests of details and substantive analytical procedures. The objective of the tests of controls is to evaluate whether certain controls operated effectively. The objective of the tests of details is to detect material misstatements in the account balances and transaction streams. Substantive analytical procedures are used to identify differences between recorded amounts and predictable expectations in larger volumes of transactions over time.

Independence

Firm policies on independence require that we communicate at least annually with you regarding all relationships between the rural municipality and our firm that, in our professional judgement, may reasonably be thought to bear on our independence in the context of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Saskatchewan. Making journal entries required to prepare the financial statements and the preparation of the financial statements are the only relationships that in our professional judgement may be thought to bear on our independence. The journal entries were based on information provided by the administrator, or were based on independent third party information, and the entries were approved by the administrator prior to entry into the accounting system by the administrator. The financial statements were reviewed and approved by the administrator and council prior to finalization and release. This eliminates any management decision-making involved in our services and limits any impact on our independence. Accordingly, we hereby confirm that we are independent with respect to the rural municipality within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Saskatchewan for the period ending November 1, 2024.

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

Yours truly,


Dudley & Company LLP
Chartered Professional Accountants

ACKNOWLEDGED BY COUNCIL:

Signed: _____

Date: _____

Signed: _____

Signed: _____

Signed: _____

Signed: _____

Signed: _____

Signed: _____

Appendix - Risk of Fraud:

1. Is management, including Council, aware of any instances of:

- Fraud perpetrated against the rural municipality by any of its employees?

YES NO

- Fraud perpetrated by the rural municipality?

YES NO

2. Are there subsidiary locations, business segments, types of transactions, accounts balances, or financial statement categories where fraud risk exists or may be more likely to exist? If yes, provide details.

YES NO

3. Does Council believe there is a high level of risk of fraud being perpetrated against or by the rural municipality? If yes, provide details.

YES NO

4. How is rural municipality addressing the risk of fraud?

REVIEWED AND COMPLETED BY COUNCIL:

Signed: _____

Date: _____

Signed: _____

Signed: _____

Signed: _____

Signed: _____

Signed: _____

Signed: _____

