



SUNSHINE COAST REGIONAL HOSPITAL DISTRICT



REGULAR BOARD MEETING TO BE HELD IN THE BOARDROOM OF THE SUNSHINE COAST REGIONAL DISTRICT OFFICES AT 1975 FIELD ROAD, SECHELT, B.C.

Thursday, January 18, 2024

AGENDA

CALL TO ORDER 1:00 p.m.
(Corporate Officer Presiding)

I ELECTION OF THE CHAIR FOR 2024

II ELECTION OF THE VICE-CHAIR FOR 2024 (Newly Elected Chair
Presiding)

AGENDA

1. Adoption of Agenda

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MINUTES

2. Sunshine Coast Regional Hospital District Board Meeting Minutes
of October 19, 2023

Annex A
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BUSINESS ARISING FROM MINUTES AND UNFINISHED BUSINESS

PRESENTATIONS AND DELEGATIONS

REPORTS

3. MNP LLP 2023 Audit Service Plan
General Manager, Corporate Services / Chief Financial Officer
4. 2024 Meeting Calendar
General Manager, Corporate Services / Chief Financial Officer

Annex B
pp. 5-24

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COMMUNICATIONS

MOTIONS

BYLAWS

NEW BUSINESS

IN CAMERA

ADJOURNMENT



SUNSHINE COAST REGIONAL HOSPITAL DISTRICT

October 19, 2023

MINUTES OF THE MEETING OF THE BOARD OF THE SUNSHINE COAST REGIONAL HOSPITAL DISTRICT HELD IN THE BOARDROOM AT 1975 FIELD ROAD, SECHELT, B.C.

PRESENT:	Chair	Town of Gibsons	S. White
	Directors	Electoral Area E	D. McMahon
		Electoral Area A	L. Lee
		Electoral Area B	J. Gabias
		Electoral Area D	K. Backs
		Electoral Area F	K. Stamford
		District of Sechelt	A. Toth
		District of Sechelt	D. Inkster
ALSO PRESENT:	Chief Administrative Officer		D. McKinley
	Acting Chief Financial Officer		B. Wing
	Corporate Officer		S. Reid
	Manager, Budgeting and Grants		A. Taylor
	Administrative Assistant / Recorder		T. Crosby
	Media		1
	Public		0

VCH: Reg. Dir., Capital Asset Management and Planning J. Marais

Directors, staff, and other attendees present for the meeting may have participated by means of electronic or other communication facilities.

CALL TO ORDER 1:03 p.m.

AGENDA It was moved and seconded

21/23 THAT the agenda for the meeting be adopted as presented.

CARRIED

MINUTES

Minutes It was moved and seconded

22/23 THAT the Sunshine Coast Regional Hospital District Board Meeting Minutes of July 20, 2023 be adopted as presented.

CARRIED

REPORTS

Chair's Report **It was moved and seconded**

23/23 THAT the report titled Sunshine Coast Regional Hospital District Board – Chair's Report received for information.

CARRIED

VCH Cost Share
Request **It was moved and seconded**

24/23 THAT the report titled Vancouver Coastal Health (VCH) Cost Share Request be received for information;

AND THAT the Sunshine Coast Regional Hospital District (SCRHD) fund VCH's 40% cost share request to replace a Domestic Hot Water Pipe in the South Wing of the Sechelt Hospital totaling \$260,000, in the amount of \$104,000;

AND THAT the project be funded from the Reserve Fund;

AND FURTHER THAT the approved project and associated funding be incorporated into the 2024 SCRHD Provisional Budget.

CARRIED

Provisional
Budget **It was moved and seconded**

25/23 THAT the report titled 2024 Sunshine Coast Regional Hospital District (SCRHD) Provisional Budget be received for information;

AND THAT the 2024 SCRHD Provisional Budget (including 2024 Vancouver Coastal Health cost share request, funded from Reserves) be adopted as presented.

CARRIED

ADJOURNMENT **It was moved and seconded**

26/23 THAT the Sunshine Coast Regional Hospital District Board meeting be adjourned.

CARRIED

The meeting adjourned at 1:15 p.m.

Certified correct _____
Secretary

Confirmed this _____ day of _____

Chair

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT STAFF REPORT

TO: Sunshine Coast Regional Hospital District Board – January 18, 2024

AUTHOR: Tina Perreault, General Manager, Corporate Services / Chief Financial Officer

SUBJECT: MNP LLP 2023 AUDIT SERVICE PLAN

RECOMMENDATION

- (1) THAT the report titled MNP LLP 2023 Audit Service Plan be received for information;**
 - (2) AND THAT the Audit Service Plan from MNP LLP with respect to the Audit of the Financial Statements of the Sunshine Coast Regional Hospital District (SCRHD) for the year ended December 31, 2023 be approved as presented.**
-

BACKGROUND

The purpose of MNP LLP's (MNP) 2023 Audit Service Plan is to communicate key issues, responsibilities and audit strategy which will be undertaken for the Sunshine Coast Regional Hospital District's (SCRHD) annual financial audit. The audit conducted by MNP is in accordance with Canadian Generally Accepted Auditing Standards (GAAS), which require the explicit communication of roles and responsibilities by both parties.

The SCRHD Board has the responsibility of providing oversight of the financial reporting process. As part of the two-way communication with the auditors the Board may highlight any areas of specific concerns or questions it may have for the auditors prior to the final audit.

The purpose of this report is to approve the Report and allow the SCRHD Board to relay any communication back to the Auditors.

DISCUSSION

MNP's Audit Service Plan, summarizing the plans and other matters pertinent to the 2023 audit for the SCRHD, which is attached for reference. SCRHD's engagement will include: Audit Risk Areas and Planned Responses; Changes in Accounting Standards potentially impacting the SCRHD.

The 2023 interim audit was conducted in late November 2023 with the final audit scheduled for March 2024. The draft financial statements and audit report is scheduled for presentation at the April 2024 SCRHD Board in preparation for the final adoption.

As part of the final Report to the Board from MNP LLP for the 2022 audit, there were no audit differences or significant audit findings reported for the SCRHD.

STRATEGIC PLAN AND RELATED POLICIES

The annual financial audit is a statutory requirement for the SCRHD Board.

CONCLUSION

The purpose of this report is to provide information to the SCRHD Board related to their fiduciary responsibilities for the financial oversight of the SCRHD.

It is recommended that MNP's "*Audit Service Plan*" be approved as presented or amended by the Board, subject to any additional items arising. The Board may at any time communicate items with MNP prior to the final audit.

Attachment:

A - MNP LLP - SCRHD 2023 Audit Service Plan to the Board of Directors

Reviewed by:			
Manager		Finance	
GM		Legislative	X – S. Reid
CAO	X – D. McKinley	Other	



Sunshine Coast Regional Hospital District

2023 Audit Service Plan

Report to the Board of Directors

December 31, 2023

Cory Vanderhorst, CPA, CA

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Wherever business takes you

[MNP.ca](https://mnp.ca)

October 11, 2023

Members of the Board of Directors of Sunshine Coast Regional Hospital District

Dear Board of Directors:

We are pleased to present our Audit Service Plan for Sunshine Coast Regional Hospital District (the "Hospital District"). In this plan we describe MNP's audit approach, our engagement team, the scope of our audit and a timeline of anticipated deliverables. We are providing this Audit Service Plan to the Board of Directors on a confidential basis. It is intended solely for the use of the Board of Directors and is not intended for any other purpose. Accordingly, we disclaim any responsibility to any other party who may rely on this report.

Our audit will include an audit of the Hospital District's financial statements for the year ended December 31, 2023, prepared in accordance with Canadian public sector accounting standards. Our audit will be conducted in accordance with Canadian generally accepted auditing standards.

At MNP, our objective is to perform an efficient, high quality audit which focuses on those areas that are considered higher risk. We adhere to the highest level of integrity and professionalism. We are dedicated to maintaining open channels of communication throughout this engagement and will work with management to coordinate the effective performance of the engagement. Our goal is to exceed the Board of Directors's expectations and ensure you receive outstanding service.

Additional material provided along with this report includes our Engagement Letter. Our Engagement Letter is the formal written agreement of the terms of our audit engagement as negotiated with management and outlines our responsibilities under Canadian generally accepted auditing standards.

We look forward to discussing our Audit Service Plan with you and look forward to responding to any questions you may have.

Sincerely,



MNP LLP

Chartered Professional Accountants

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MNP's Client Service Commitment

To make strategic business decisions with confidence, your stakeholders and the Board of Directors of the Hospital District need relevant, reliable and independently audited financial information. But that's not all. You need an audit team that can deliver insight beyond the numbers and enhance the Hospital District's strategic planning and implementation processes so you can embrace new opportunities while effectively managing risk. Our senior team members have extensive knowledge of municipalities from many years of experience. Our audit strategy is risk based, and considers the limitations and opportunities you encounter each day, allowing our recommendations to be implemented with greater ease. Committed to your success, MNP delivers meaningful, reliable financial information to not only help you fulfill your compliance obligations, but also to achieve your key strategic goals.

Our Audit Service Plan outlines the strategy we will follow to provide the Hospital District's Board of Directors with our Independent Auditor's Report on the December 31, 2023 financial statements.


Topics for Discussion

We are committed to providing superior client service by maintaining effective two-way communication. Topics for discussion include, but are not limited to:

- Changes to your business operations and developments in the financial reporting and regulatory environment
- Business plans and strategies
- Any other issues and/or concerns
- Documents comprising the annual report, and their timing of issuance
- Fraud, including how fraud could occur, the risk of fraud and misstatement, and any actual, suspected or alleged fraud
- The management oversight process
- Your specific needs and expectations

Key Changes and Developments

Based on our knowledge of the Hospital District and our discussions with management, we have noted the recent developments set out below. Our audit strategy has been developed considering these factors.

Key Issues and Developments		Summary
	New Reporting Developments	<ul style="list-style-type: none">• PS 1201 Financial Statement Presentation (Amendments)• PS 3280 Asset Retirement Obligations (New)• PS 3400 Revenue (New)• PS 3450 Financial Instruments (Amendment)

Detailed information on Key Changes and Developments are included as Appendix A

Risk Assessment

Risk Assessment

Based on the preliminary risk assessment procedures performed, we have identified the following significant and high risks which will be addressed during our audit. We have also outlined the proposed audit response to address those risks. We will update our risk assessment as the audit progresses for additional risks identified and will inform management of any additional significant risks identified.

Key Milestones

Based on the audit planning performed and areas of audit risks identified, the following timelines for key deliverables have been discussed and agreed upon with management:

Key Deliverable	Expected Date
Delivery of December 31, 2023 Audit Service Plan to the Board of Directors	October 2023
Year-end fieldwork procedures	to March 2024
Draft year-end financial statements to be discussed with management	March 2024
Presentation of December 31, 2023 Audit Findings Report to the Board of Directors	April 2024
Presentation of Management Letter to the Board of Directors	April 2024
Issuance of Independent Auditor's Report	April 2024

Audit Materiality

Materiality is an important audit concept. It is used to assess the significance of misstatements or omissions that are identified during the audit and is used to determine the level of audit testing that is carried out. Specifically, a misstatement or the aggregate of all misstatements in financial statements as a whole (and, if applicable, for particular classes of transactions, account balances or disclosures) is considered to be material if it is probable that the decision of the party relying on the financial statements, who has reasonable understanding of business and economic activities, will be changed or influenced by such a misstatement or the aggregate of all misstatements.

The scope of our audit work is tailored to reflect the relative size of operations of the Hospital District and our assessment of the potential for material misstatements in the Hospital District’s financial statements as a whole (and, if applicable, for particular classes of transactions, account balances or disclosures). In determining the scope, we emphasize relative audit risk and materiality, and consider a number of factors, including:

- The size, complexity, and growth of the Hospital District;
- Changes within the organization, management or accounting systems; and
- Concerns expressed by management.

The scope of our audit work is tailored to reflect the relative size of operations of the Hospital District and our assessment of the potential for material misstatements in the Hospital District's financial statements as a whole.

Judgment is applied separately to the determination of materiality in the audit of each set of financial statements (and, if applicable, for particular classes of transactions, account balances or disclosures) and is affected by our perception of the financial information needs of users of the financial statements. In this context, it is reasonable to assume that users understand that financial statements are prepared, presented and audited to levels of materiality; recognize uncertainties inherent in the measurement of amounts based on the use of estimates, judgment and consideration of future events; and make reasonable economic decisions based on the financial statements. The foregoing factors are taken into account in establishing the materiality level.

We propose to use \$70,000 as overall materiality for audit planning purposes.

Audit Team

In order to ensure effective communication between the Board of Directors and MNP, we outline below the key members of our audit team that will be responsible for the audit of the Hospital District and the role they will play:

Team Members	Contact Information
Cory Vanderhorst, CPA, CA, Engagement Partner	E: Cory.Vanderhorst@mnp.ca
Kristy Rowbotham, CPA, Engagement Manager	E: Kristy.Rowbotham@mnp.ca

In order to serve you better and meet our professional responsibilities, we may find it necessary to expand our audit team to include other professionals whose consultation will assist us to evaluate and resolve complex, difficult and/or contentious matters identified during the course of our audit.



Any changes to the audit team will be discussed with you to ensure a seamless process and that all concerned parties' needs are met.

Fees and Assumptions

DESCRIPTION	2023 ESTIMATE
Base audit fee as per our fee quote	\$ 5,600

If any significant issues arise during the course of our audit work which indicate a possibility of increased procedures or a change in the audit timetable, these will be discussed with management by the engagement partner, so a mutually agreeable solution can be reached.

DESCRIPTION	AMOUNT
On the delivery of the audit service plan, 50% of the estimated fee	\$ 2,800
Upon the delivery of the final consolidated financial statements and Independent Auditor's Report	\$ 2,800
Total	\$ 5,600

Appendix A – Key Changes and Developments

We would like to bring to your attention the following accounting and auditing developments, which may have some impact on your financial reporting.

Issues and Developments Summary

New Reporting Developments

PS 1201 Financial Statement Presentation (Amendments)

In April 2021, the Public Sector Accounting Board (PSAB) issued amendments to PS 1201 *Financial Statement Presentation*.

The narrow-scope amendments clarify the presentation of derivatives, specifically allowing public sector entities to present the remeasurement impact of derivatives separately on the statement of change in net debt. Other minor presentation clarifications have also been included such as allowing a new subtotal for the change in net debt excluding the impact of remeasurement gains and losses on the statement of change in net debt and allowing the inclusion of a footnote on the net debt indicator in the statement of financial position to refer to additional detail provided on the statement of change in net debt.

The amendments are effective in the same period PS 2601 *Foreign Currency Translation* and PS 3450 *Financial Instruments* are adopted. PS 2601 and PS 3450 are to be adopted together and are effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

PS 3280 Asset Retirement Obligations (New)

In August 2018, new PS 3280 *Asset Retirement Obligations* was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3280 establishes standards on how to account for and report a liability for asset retirement obligations (ARO). As asset retirement obligations associated with landfills are included in the scope of new PS 3280, PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability* will be withdrawn.

The main features of this standard are as follows:

- An ARO represents a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic manner.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- The best method to estimate the liability is often a present value technique.

This standard was to be effective for fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022.

Early application continues to be permitted.

PS 3400 Revenue (New)

In November 2018, new PS 3400 *Revenue* was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new PS 3400 establishes standards on how to account for and report on revenue by distinguishing between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The main features of this Section are as follows:

- Performance obligations are enforceable promises to provide specific goods or services to a specific payor.
- Performance obligations can be satisfied at a point in time or over a period of time.
- The new standard outlines five indicators to determine if the revenue would be recognized over a period of time.
- Revenue from a transaction with a performance obligation(s) is recognized when, or as, the entity has satisfied the performance obligation(s).
- Revenue from transactions with no performance obligation is recognized when a public sector entity has the authority to claim or retain an inflow of economic resources and a past event that gives rise to a claim of economic resources has occurred.

Further editorial changes have also been made to other standards as a result of the issuance of PS 3400.

This Section was to be effective for fiscal years beginning on or after April 1, 2022. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic. The new Section is now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2023. Early application continues to be permitted.

PS 3450 Financial Instruments (Amendment)

In April 2020, the Public Sector Accounting Board (PSAB) issued amendments to PS 3450 *Financial Instruments*. The main features of the amendments include:

Bond Repurchase Transactions

- Bond repurchase transactions are only to be treated as extinguishments when they are either:
 - Legally discharged;
 - An exchange of debt instruments with substantially different terms; or
 - A substantial modification of the terms of an existing financial liability or part of it.

Section Application

- Clarification that PS 3450 does not apply unless a contractual right or a contractual obligation underlies a receivable or payable. By definition, there must be a contract for there to be a financial instrument.
- Clarification for how to account for a transfer of collateral pursuant to a credit risk management mechanism in a derivative contract.
- Addition of application guidance explaining that derecognition of a financial asset does not occur if the transferor of a financial asset retains substantially all the risks and benefits of ownership.

Transitional Provisions

- Clarification that a controlling government should use carrying values of the financial assets and liabilities in the records of its government organizations when consolidating a government organization.
- For financial assets or financial liabilities in the cost or amortized cost category which have an associated unamortized discount, premium or transaction costs, the unamortized discount, premium or transaction costs should be included in the item's opening carrying value.
- For derivatives which may not have been recognized or may not have been measured at fair value prior to the adoption of PS 3450, any difference between the previous carrying value and fair value should be recognized in the opening balance of accumulated remeasurement gains and losses.

The amendments were to be effective for fiscal years beginning on or after April 1, 2021. On June 25, 2020, the PSAB made the decision to defer the effective date by one year due to the impact of the COVID-19 pandemic.

The new Section and amendments are now effective for annual financial statements relating to fiscal years beginning on or after April 1, 2022. Early application continues to be permitted.

New Assurance Developments

CAS 315 Identifying and Assessing the Risks of Material Misstatement (Amendment)

In May 2020, the Auditing and Assurance Standards Board (AASB) issued the revised CAS 315 ¹, to align with the International Auditing and Assurance Standards Board's (IAASB) changes to International Standards on Auditing (ISA) 315 (revised), with the same title.

The revised CAS 315 incorporates changes to establish more robust requirements and detailed guidance to assist auditors in performing appropriate risk assessment procedures corresponding with the size and nature of the entity. It also includes changes to enhance the application of professional skepticism in audits. The revised CAS 315 accomplishes the following:

- Distinguishes the nature and extent of work needed for indirect and direct controls in the system of internal control;
- Clarifies which controls need to be identified for evaluating the design of a control, and determining whether the control has been implemented;
- Highlights scalability of the standard by keeping the principles-based requirements focused on what needs to be done, and using separate headings in the application material to illustrate scaling based on the complexity of the situation;
- Clarifies the definition of "significant risk" and introduces the concept of spectrum of inherent risk to assist the auditor in making a judgment, based on the likelihood and magnitude of a possible misstatement, on a range from higher to lower, when assessing risks of material misstatement;
- Introduces the concept of inherent risk factors, including complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or other fraud risk factors insofar as they affect inherent risk;
- Introduces the concepts of "significant classes of transactions, account balances and disclosures" and "relevant assertions" to assist with the identification and assessment of the risk of material misstatement;
- Separates the assessment of inherent and control risk;
- Enhances the auditor's considerations regarding the entity's use of information technology and how it affects the audit, and includes considerations for using automated tools and techniques in the application material;
- Introduces a requirement to "stand back" to evaluate the completeness of the significant classes of transactions, account balances and disclosures at the end of the risk assessment process;
- Uses more explicit language and enhances requirements and application material to reinforce the importance of exercising professional skepticism when performing risk assessment procedures; and
- Clarifies the threshold for identifying possible risks of material misstatement in CAS 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Canadian Auditing Standards*.

As a result of issuing the revised CAS 315, requirements for several other standards have been amended to better articulate the auditor's responsibilities regarding identifying and assessing the risks of material misstatement:

- CAS 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*
- CAS 330 *The Auditor's Responses to Assessed Risks*
- CAS 402 *Audit Considerations Relating to an Entity Using a Service Organization*
- CAS 540 *Auditing Accounting Estimates and Related Disclosures*

The revised CAS 315 and other conforming amendments to other standards are effective for audits of financial statements for periods beginning on or after December 15, 2021. Earlier application is permitted.

Appendix B – The Audit Process

Our Plan

Our audit process focuses on significant risks identified during the pre-planning and planning and risk assessment stage, ensuring that audit procedures are tailored to your specific circumstances and appropriately address those risks.

The Board of Directors is responsible for approval of the financial statements and Hospital District policies, and for monitoring management's performance. The Board of Directors should consider the potential for management override of controls or other inappropriate influences, such as earnings management, over the financial reporting process. The Board of Directors, together with management, is also responsible for the integrity of the accounting and financial reporting systems, including controls to prevent and detect fraud and misstatement, and to monitor compliance with relevant laws and regulations.

Effective discharge of these respective responsibilities is directed toward a common duty to provide appropriate and adequate financial accountability, and quality financial disclosure.

Key responsibilities of MNP and management are outlined in the Engagement Letter (see attached).

Our overall audit strategy is risk-based and controls-oriented. Assessment and identification of risk is performed continuously throughout the audit process. We focus on the risks that have a potential impact on the financial accounting systems and subsequent financial reporting.

Our overall audit strategy does not, and is not intended to involve the authentication of documents, nor are our team members trained or expected to be experts in such authentication. Unless we have reason to believe otherwise, we accept records and documents as genuine. The subsequent discovery of a material misstatement resulting from fraud does not, in and of itself, indicate a failure to comply with Canadian generally accepted auditing standards.

Audit Procedures

To meet our responsibilities in accordance with Canadian generally accepted auditing standards, our audit examination includes:

- Obtaining an understanding of the entity and its environment, the applicable financial reporting framework and the entity's system of internal controls, in order to identify and assess the risk that the financial statements contain material misstatements due to fraud or misstatement;
- Assessing the design and implementation of and examining, on a test basis, the key controls over significant transaction streams and over the general organizational and computer environments;
- Assessing the systems used to ensure compliance with applicable legislative and related authorities pertaining to financial reporting, revenue raising, borrowing, and investing activities;
- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessing the appropriateness and consistency of accounting principles used and their application;
- Assessing the significant estimates used by management; and,


Appendix B – The Audit Process

(continued from previous page)

- Assessing the entity's use of the going concern basis of accounting in the preparation of the financial statements.

As part of our planning process, we will also undertake to inform the Board of Directors of concerns relating to management's implementation and maintenance of controls, and the effects of any such concerns on the overall strategy and scope of the audit. These concerns might arise from the nature, extent and frequency of management's assessments of controls in place to detect fraud and misstatement, and of the risk that the financial statements may be misstated; from a failure by management to appropriately address significant deficiencies in controls identified in prior audits; and, from our evaluation of the Hospital District's control environment, and management's competence and integrity.

Overall Reliance

Control Reliance Level	Low/None	Moderate	High
Description	Where we cannot rely on controls because they are weak or absent, or where it is deemed to be more efficient to carry out a high level of direct substantive tests of details. Audit evidence is primarily obtained through detailed verification procedures and sufficient substantive tests of details.	Where there are some deficiencies in systems application or procedural controls, or where it is deemed to be inefficient to test systems application controls, but where we can test and rely on the management monitoring systems in place to detect and correct material misstatements in the financial reporting systems. Testing of controls is supplemented with a moderate level of substantive tests of details.	Where a high degree of control is in place in the areas of management monitoring controls AND systems application and procedural controls. Our audit work focuses on testing both management monitoring and systems application and procedural controls, and is supplemented with a low level of substantive tests of details.
Planned Reliance		—	—

Appendix B – The Audit Process

(continued from previous page)

For the December 31, 2023 audit, we are planning to place low reliance on the Hospital District's controls. This level of reliance is consistent with the prior year, and will involve mainly substantive tests of details.

The amount of substantive work will be reduced for cycles where there are controls in place that MNP can test and rely on.

As part of our audit work we will update our understanding of the entity and its environment, the applicable financial reporting framework and the entity's system of internal controls relevant to our audit of the principal transaction cycles, sufficient to identify and assess the risks of material misstatement of the financial statements resulting from fraud or misstatement. This will be accomplished through inquiries with management and others within the entity, analytical procedures and observation and inspection. Furthermore, we will consider whether effective controls have been established to adequately respond to the risks arising from the use of IT or manual systems and test the operation of those controls to an extent sufficient to enable us to reduce our substantive work. Our review of the Hospital District's controls will not be sufficient to express an opinion as to their effectiveness or efficiency.



Although we will provide the Board of Directors with any information about significant deficiencies in internal control that have come to our attention, we may not be aware of all the significant deficiencies in internal control that do, in fact, exist.

Inherent Limitations in the Auditing Process

An auditor cannot obtain absolute assurance that material misstatements in the financial statements will be detected due to factors such as the use of significant judgment regarding the gathering of evidence and the drawing of conclusions based on the audit evidence acquired; the use of testing of the data underlying the financial statements; inherent limitations of controls; and, the fact that much of the audit evidence available to the auditor is persuasive, rather than conclusive in nature.

Because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. While effective controls reduce the likelihood that misstatements will occur and remain undetected, they do not eliminate that possibility. Therefore, the auditor cannot guarantee that fraud, misstatements and non-compliance with laws and regulations, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards.

The likelihood of not detecting material misstatements resulting from management fraud is greater than for employee fraud, because management is in a position to manipulate records, present fraudulent information or override controls.

We will inform the appropriate level of management or the Board of Directors with respect to identified:

- Misstatements resulting from errors, other than clearly trivial misstatements;

Appendix B – The Audit Process

(continued from previous page)

- Fraud, or any information obtained that indicates that fraud may exist;
- Evidence obtained that indicates non-compliance or possible non-compliance with laws and regulations, other than that considered inconsequential;
- Significant deficiencies in the design or implementation of controls to prevent and detect fraud or misstatement; and
- Related party transactions that are not in the normal course of operations and that involve significant judgments made by management concerning measurement or disclosure.

Our concern as auditors is with material misstatements, and thus, we are not responsible for the detection of misstatements that are not material to the financial statements taken as a whole.

Appendix C – Auditor Independence

Auditor Independence

An essential aspect of all our services to the Hospital District is an independent viewpoint, which recognizes that our responsibilities are to the Board of Directors. While the concept of independence demands a questioning and objective attitude in conducting our audit, it also requires the absence of financial or other interests in the Hospital District. In accordance with our firm's policy, and the Code of Professional Conduct, which govern our profession, neither MNP nor any of its team members assigned to the engagement or any of its partners, are permitted to have any involvement in or relationship with the Hospital District that would impair independence or give that appearance. As auditors, we subscribe to the highest standards and are required to discuss the auditor's independence with the Board of Directors on an annual basis. Under the standard an auditor shall:

- Disclose to, the Board of Directors in writing, all relationships between the auditor and the Hospital District that in the auditor's professional judgment may reasonably be thought to bear on our independence;
- Discuss the auditor's independence with the Board of Directors.

During the course of the audit, we will communicate any significant new matters that come to our attention that, in our professional judgment, may reasonably be thought to bear on our independence.

MADE ^{IN} CANADA

And proud of it!

At MNP we're proud to be the national accounting, consulting and tax firm that is 100% Made in Canada.

Our history defines who we are and our approach to business. Being a Canadian firm has helped shape our values, our collaborative approach, and the way we work with our clients, engaging them every step of the way.

We have a unique perspective. Our decisions are made here – decisions that drive Canadian business and help us all achieve success — and we know the impact that our choices have on the cities and towns we call home.

Throughout our six decades of work, we've seen our communities are more than just a place we do business in. They're a place where our families live, play, and thrive, and we work to make them the best places they can be.

Being 100% Canadian is something we wear proudly. This country provides us with great opportunities, and we're here to help our clients seize the opportunities so we can create a brighter future for the generations to come.



Wherever business takes you

MNP.ca



Wherever business takes you

[MNP.ca](https://mnp.ca)

SUNSHINE COAST REGIONAL HOSPITAL DISTRICT STAFF REPORT

TO: Sunshine Coast Regional Hospital District Board – January 18, 2024

AUTHOR: Tina Perreault, General Manager, Corporate Services / Chief Financial Officer

SUBJECT: **SUNSHINE COAST REGIONAL HOSPITAL DISTRICT 2024 MEETING SCHEDULE**

RECOMMENDATION(S)

- 1) **THAT the report titled Sunshine Coast Regional Hospital District 2024 Meeting Schedule be received for information;**
- 2) **AND THAT the 2024 Meeting Schedule be adopted as presented.**

BACKGROUND

The Sunshine Coast Regional Hospital District (SCRHD) has statutory business to be addressed during the year, such as the adoption of the annual Budget and annual financial audit findings.

The SCRHD also has a joint Memorandum of Understanding (MOU) with Vancouver Coastal Health (VCH) that outlines the process and dates required to make voluntary capital cost share funding requests, as well as sharing of information among participants and community partners. The MOU is currently being updated, so current timelines are recommended for 2024. Changes to the meeting schedule can be made throughout the year.

The purpose of the report is to set the general meeting schedule for the SCRHD for 2024.

DISCUSSION

The suggested dates for the SCRHD for the 2024 calendar year are as follows:

Date	Proposed Time	General Business Covered:
January 18, 2024	1:00 pm	Inaugural Meeting of the SCRHD to elect a new Chair and Vice-Chair Audit Planning Letter
March 21, 2024	1:00 pm	Adopt Final Budget and Budget Bylaw
April 18, 2024	1:00 pm	Audit Results presented to the Board with draft audited financial statements for the year ended December 31.

July 18, 2024	1:00 pm	VCH presents a mid-cycle update and proposed capital expenditures. VCH also reviews the three-year capital plan and necessary amendments due to changes in funding, unanticipated capital needs or priority changes. SCRHD provides a Reserves and Capital Funds Update.
October 17, 2024	1:00 pm	SCRHD provides a draft Provisional Budget for approval. VCH provides updated capital requests.

Meetings are scheduled in the Board calendar and community partners, such as VCH, are invited to attend and additional meetings are scheduled as required.

CONCLUSION

There are dates that are required for the SCRHD to conduct annual business. This report is to establish the 2024 meeting schedule for the SCRHD.

Reviewed by:			
Manager		CFO / Finance	
GM		Legislative	X – S. Reid
CAO	X – D. McKinley	Other	