

THE CORPORATION OF THE TOWNSHIP OF MCGARRY

BY-LAW NO. 97-5

Being a by-law to appoint auditors for the Corporation of the Township of McGarry

WHEREAS the Municipal Act, Chapter M.45, Section 86(1), requires the Council of every municipality to appoint Auditors;

THEREFORE the Council of the Corporation of the Township of McGarry enacts as follows:

1. That Ross, Pope and Company be and they are hereby appointed Auditors for the Township of McGarry for the fiscal year 1996.
2. That by-law 91-7, be and is hereby repealed.

READ a first, second and third time in open council this 17th day of July, 1997.


Reeve


Clerk-Treasurer



Ross, Pope & Company

Chartered Accountants

6 Tweedsmuir Road, 4th Floor, BDR Building

P.O. Box 785

Kirkland Lake, Ontario P2N 3K4

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May 28, 1997

**The Corporation of the Township of McGarry
P.O. Box 99
Virginiatown, Ontario
P0K 1X0**

Attention: Ardene Lefebvre

Dear Madam:

We are pleased to be advised of our appointment as auditors of The Corporation of the Township of McGarry. This letter will set out our understanding of the terms of our engagement and the nature of the services we will perform.

We will examine the consolidated balance sheet of The Corporation of the Township of McGarry as at December 31, 1996 and the consolidated statement of operations for the year then ended.

The consolidated financial statements are to include the accounts of the following local boards and municipal enterprises which are under the control of the council:

McGarry Waterworks System
Public Library Board

Trust funds and their related operation administered by the Municipality will not be consolidated but will be reported separately on the "Trust Funds Statement of Continuity and Balance Sheet".

Our examination will be made in accordance with generally accepted auditing standards, and, accordingly, will include such tests of the accounting records and such other auditing procedures as we consider necessary in the circumstances.

We direct your attention to the fact that the Township's management and council have the responsibility for the proper recording of transactions in the books of account, for the safeguarding of assets, and for the substantial accuracy of the financial statements. The financial statements are the representations of the Corporation of the Township of McGarry's management and council.

At the conclusion of our examination, we will submit to you a report containing our opinion on the financial statements. If during the course of our audit work it appears for any reason that we will not be in a position to render an unqualified opinion on the financial statements, we will discuss this with you.

Our examination will be directed to the expression of our opinion on the mentioned financial statements taken as a whole. You should understand that our work will be based primarily upon selected tests of the accounting records and related data and, therefore, will not include a detailed check of the Township's transactions for the period. Therefore, an auditor's examination, based on the concept of selective testing of the data being examined, is subject to the inherent risk that errors or irregularities, if they exist, will not be detected. We will, however, plan our examination to search for errors or irregularities that would have a material effect on the financial statements. Should any such errors or irregularities come to our attention, we will report them to you.

If the Township plans any reproduction or publication of our report, or any portion of it, copies of masters' or printers' proofs of the entire document should be submitted to us in sufficient time for our review.

We will report to you any suggestions we may have for improvements in the existing system of internal control or in the accounting procedures. We will perform such bookkeeping as we find necessary and assist in the preparation of the financial statements and the Financial Information Return, if necessary.

We will also report to the Ministry of Municipal Affairs that we have performed certain procedures in connection with Schedules 1 to 11 of the Financial Information Return.

We will also supply the Ministry of Municipal Affairs with an Auditor's Report, giving our opinion whether or not Schedule 13 of the Financial Information Return presents fairly the grant information shown therein.

In accordance with generally accepted auditing standards, we will request certain written representations from management at the close of our examination to confirm oral representations given to us and to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding concerning the matters that are the subject of the representations.

Fees will be determined on the basis of time spent on this engagement and at our standard billing rates. Any disbursements incurred will be added to this billing.

We understand that the administration will furnish clerical assistance to the extent practicable, including schedules to be prepared in advance of the year-end audit. This will help to reduce the cost and at the same time will permit emphasis by our representatives on the more significant phases of the examination.

The above paragraphs relate to the statutory obligations as the auditor of the Township. We are also prepared upon instructions to extend our services beyond these required procedures.

The arrangements outlined in this letter will continue in effect from year to year while we continue to be auditors of the Township, unless changed by either party.

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 original of this letter in the space provided and return it to us. We appreciate the opportunity to be of service to your Township.

Yours very truly,

Ross, Pope & Company

Chartered Accountants

Per: Thomas P. Gannon, B.A., C.A.

The services described in the foregoing letter are in accordance with our requirements and are acceptable to us.

Ardene Lefebvre
Ardene Lefebvre - Clerk/Treasurer

Clairmont Lapointe
Clairmont Lapointe - Reeve
Clermont

May 28, 1997