

**REPORT TO CAPITAL REGION HOUSING CORPORATION BOARD
MEETING OF WEDNESDAY, JANUARY 14, 2026**

SUBJECT **Capital Region Housing Corporation 2025 Audit Planning Discussion**

ISSUE SUMMARY

This report provides information to the Capital Region Housing Corporation (CRHC) Board on the 2025 Audit Plan and related work to be completed by KPMG for the 2025 year-end audit of the CRHC's financial statements.

BACKGROUND

As a local government-controlled entity, the CRHC is required by the Inspector of Municipalities to appoint an auditor pursuant to its articles of incorporation and the *Business Corporations Act*. Through a public procurement process, KPMG was selected to perform the upcoming audit.

Consistent with the approach from previous years, the auditors circulate the audit plan to the CRHC Board for information prior to the start of the audit. KPMG will present to the CRHC Board the 2025 annual Audit Planning Report (Appendix A) as a fundamental component of the CRHC's annual financial statement audit. This standard audit procedure is similarly undertaken by other local governments in the region.

The presentation will provide the CRHC Board with an overview of the audit strategy and approach that KPMG will use in addressing any significant risks. The audit plan is designed to identify and address key financial reporting risks, including fraud, by evaluating the existence, quality and effectiveness of management's internal controls over financial reporting.

KPMG notes in Appendix A that they have not identified any areas of significant financial reporting risks. However, there is a presumed fraud risk around management override of controls. KPMG addresses this risk by testing journal entries and other adjustments, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions. KPMG will also obtain the CRHC Board's views on the risk of fraud for the CRHC.

KPMG will present to the CRHC Board an overview of the audit cycle, timetable and specific areas that the audit will focus on, providing the basis of audit materiality they deem necessary to evaluate any misstatements they identify during the audit.

ALTERNATIVES

Alternative 1

That the Capital Region Housing Corporation 2025 Audit Plan developed by KPMG be approved.

Alternative 2

That this report be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

KPMG will continue year-end audit field work on February 17, 2026, which will take approximately two weeks (interim audits are conducted annually in November). The auditors will perform sample testing on many areas including invoices, journal entries, accounts receivable and accounts payable. In compliance with Canadian Public Sector Accounting Standards (PSAS) this testing will ensure that all aspects of financial transactions are being recorded and reported in the financial statements. Additionally, as part of the audit process, the auditors will provide a detailed Audit Findings Report. The finalized financial statements will be presented to the Hospitals and Housing Committee along with the Audit Findings Report in May.

CONCLUSION

KPMG's primary objective of the Financial Statement audit is to present an opinion on the extent to which the CRHC's consolidated financial statements are fairly presented, in accordance with the PSAS. As part of the annual audit, KPMG provides an audit plan to the CRHC Board. The auditors will conduct their audit of the 2025 financial statements pursuant to this plan.

RECOMMENDATION

That the Capital Region Housing Corporation 2025 Audit Plan developed by KPMG be approved.

Submitted by:	Varinia Somosan, CPA, CGA, Senior Manager, Financial Services & Deputy Chief Financial Officer
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Housing, Planning and Protective Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: KPMG Capital Region Housing Corporation Audit Planning Report (for the year ended December 31, 2025)