

Municipal Audit Guidelines



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Introduction

These guidelines have been prepared to assist municipal councils, administrators and auditors in carrying out their roles and responsibilities related to the conduct of municipal annual financial statement audits. This document is not intended to be nor should it be used as a substitute for referring to *The Municipalities Act (MA)* or *The Cities Act (Cities)* and other relevant legislation.

This document consists of six parts including the introduction. Following this introduction, Section II provides an overview of the council's role in the financial management of the municipality. Section III outlines the duties and responsibilities of a municipal administrator including a checklist that may be used by administrators for proper record keeping and audit preparation. Section IV deals with the roles and responsibilities of the municipal auditor. This includes a discussion of an auditor's qualifications and appointment, a description of the scope and objectives of an audit and general guidelines that auditors may use in developing their audit program. The section concludes with a brief discussion about the use of management letters. Section V is a sample check list for administrators and auditors to use while preparing for and completing an audit. Section VI, Legal/Statutory Requirements provides a summary of the provisions in MA or Cities that relate to the financial matters of municipalities.

These guidelines are not intended to be absolute direction that auditors or municipalities must follow but rather are designed to help them develop an audit program.

Government staff are available to provide assistance or answer questions related to municipal financial reporting and provincial policies respecting municipal accounting.

Council's Responsibilities

Council is ultimately responsible to the public for ensuring that public funds are properly approved and accounted for. The MA establishes the minimum control environment and control systems under which municipalities must operate. It is the responsibility of council to ensure the control environment and control systems are maintained and operate effectively. This is done by establishing and maintaining policies and procedures referred to as internal controls. The auditor must have a sufficient understanding of internal control in order to plan the audit.

Internal control examples include but are not limited to the following:

- (a) council setting and approving an annual budget;
- (b) council approving all payments of funds from the municipality;
- (c) all municipal cheques signed by the administrator (assistant if authorized by council) and dually signed by the mayor/reeve or deputy mayor/reeve;
- (d) administrator preparing and submitting to council a monthly statement of all receipts and disbursements reconciled to the municipal bank accounts with the related budgeted amounts included; and
- (e) council ensuring proper segregation of duties within the municipal office

In essence, council is an integral part of the administration, management and internal control in municipalities.

During the course of a standard financial audit, evidence of fraud or error may be detected. However, the auditor is not and cannot be held responsible for the prevention or detection of fraud and error. The primary responsibility for the prevention and detection of fraud and error rests with council. Internal control weaknesses detected during the course of the financial statement audit may be commented upon by the auditor in the management letter.

Council should ensure there is a clear understanding of the municipal audit process. This is normally communicated in the engagement letter and other related correspondence. If an auditor does not prepare an engagement letter the council should request one prior to any actual service being performed. The estimated audit fee, based upon budgeted audit time, should also be discussed prior to beginning audit work.

The engagement of an auditor is similar to any other contractual obligation. After the engagement has been agreed to by both parties it is expected that both will fulfil all obligations in a satisfactory manner. Council should then ensure that administrative staff co-operate with the auditor and provide all books, records and supporting documentation for examination during the audit process.

The Province of Saskatchewan also has a role with regard to internal control. Government staff have the right to examine the books and internal control mechanisms of the municipality to ensure that provincial standards for record keeping, reporting and internal control are being maintained.

Administrator's Responsibilities

The specific legislative duties and responsibilities of an administrator (clerk/treasurer) are described in the appropriate provincial statutes and summarized in the "LEGAL/STATUTORY REQUIREMENTS" section of this document.

In addition to legislative requirements the administrator must ensure that the accounting system is maintained and backed up properly, that adequate books of original entry are properly maintained and that internal controls exist to protect the assets of the municipality. The extent to which books are kept including the number and type of ledgers and subsidiary ledgers will vary from municipality to municipality.

In the case of municipalities where administrators do not have the experience, training and/or qualifications to maintain all of the required accounting records the auditor is prohibited from providing bookkeeping services to the municipality. If the auditor were to provide bookkeeping services it would create a self-review threat to the auditing company's independence as its staff would essentially be auditing their own work. This also applies to larger auditing partnership firms as the bookkeeping cannot simply be performed by an individual outside the engagement team. It is the firm as a whole that must retain independence on this issue.

Municipal administrators are expected to complete and balance all books and records to the end of the year. If books and records are not complete and balanced when presented to the auditor, the auditor should bring this to the attention of the administrator and council.

The administrator is generally responsible for completing the following tasks:

- All records and books of account should be completed, posted, balanced and made available for examination by the auditor. Supporting data should be grouped and matched to allow easy examination.
- Payroll records should be completed for the fiscal period and required T-4 forms and any other forms should be completed and filed with the appropriate government ministry or agency.
- A general ledger trial balance should be completed to determine whether adjusting entries are required. Adjustments should be journalized and posted so that a working trial balance can be completed prior to the audit.
- Other working papers to be prepared by the administrator for checking and verification by the auditor would include and may not be limited to the following:
 - (a) cash and bank reconciliations; bank statements and passbooks;
 - (b) accounts receivable list with supporting documentation;
 - (c) accounts payable list with supporting documentation;
 - (d) listing of inventories e.g., gravel, culverts;
 - (e) investments list with supporting documentation;
 - (f) fixed assets list with details of acquisitions and disposals;
 - (g) list of debentures or other debt instruments such as notes and security agreements including due but unpaid debentures or coupons;
 - (h) liabilities list;
 - (i) analysis of reserves/allowances;
 - (j) analysis of surplus/deficit account;
 - (k) analysis of equity in fixed assets;
 - (l) analysis of revenue items by source;
 - (m) analysis of expenditure items by category;
 - (n) analysis of capital sources and uses;
 - (o) vouchers for payments made during the year;
 - (p) a copy of the approved budget for the year;
 - (q) statements from the Land Titles office re: deposit account;
 - (r) applications for government grants and related data and correspondence;
 - (s) information on requisitions of funds from SAMA;
 - (t) letter from school division(s) indicating school mill rate(s) to be levied;

- (u) statements of liability with other taxing authorities including a copy of any council resolution to cancel taxes;
 - (v) annual assessment returns and certificate of confirmation;
 - (w) minutes of council meetings held and bylaws passed during the year;
 - (x) orders, approvals, decisions, etc. of the Saskatchewan Municipal Board; and
 - (y) titles for all properties owned by the municipality with details of acquisitions and disposals in particular, additions to and sale of Tax Title Property.
- A draft copy of the financial statements should be prepared by the municipality prior to the auditor's field work beginning.
 - Any other function or task that may be mutually agreed upon by the auditor and administrator.

Auditor's Responsibilities

Auditor Qualifications and Appointment

Section 188(1) MA and Section 159(1) Cities state that every auditor of a municipality must be a member in good standing of an accounting profession recognized pursuant to The Accounting Profession Act, 2014.

Council is required to appoint an auditor. The appointment can be for a definite period of time or it can be indefinite. Regardless, a council resolution is required before council can dispense with the services of an auditor. The resolution does not take effect until 30 days after notice of dismissal is mailed to the auditor.

The province may require that council appoint another auditor if in the opinion of the responsible Minister, the auditor has not satisfactorily discharged his or her duties.

Before beginning an audit, the auditor should prepare and send an engagement letter to the local government outlining the services to be performed. The purpose of the letter is to clarify for council and the administrative personnel exactly what work will be performed during the audit.

While estimating a fee the auditor should segregate the budgeted fees for any specialized work or accounting and the regular audit fees so that the local government can clearly see how the total charges are derived.

Before beginning an audit, the auditor must be made aware of any changes that have occurred during the year that may impact the scope of the audit. These would include but would not be limited to the following:

- key personnel/organizational changes;
- boundary changes/new or discontinued locations or divisions and the operations and accounting functions performed there;
- major changes in operating assets;

- new or discontinued services;
- changes in financing or line of credit;
- changes in work force, union agreements, benefit plans;
- current problem areas which may have accounting/auditing implications;
- arrangements for assistance by administrative personnel and access to municipal facilities and records; and
- reporting dates for draft financial statements and any possible audit committee/council meeting requirements.

Scope of the Audit

The objective of an audit of a municipality is to express an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

Saskatchewan's municipalities must prepare their financial statements in accordance with Canadian public sector accounting standards as recommended by the Chartered Professional Accountants of Canada (CPA Canada).

Every municipal auditor in the Province of Saskatchewan must follow the CPA Canada Handbook - Assurance while conducting the audit.

Using his or her professional judgement the auditor will decide the nature, timing and extent of the examination and verification of accounting records.

Ultimately, the auditor must be satisfied that the financial statements of the municipality present fairly in all material respects the financial position and results of its operations and cash flows in accordance with Canadian public sector accounting standards. If the auditor feels that any municipal accounting policy results in a financial statement that materially misleads the readers of the statement he or she must report and explain the discrepancy in a management letter.

It is strongly suggested that the books be examined and the audit performed in the office of the municipality. If this is not possible or practical the auditor must ensure that books are returned promptly to the administrator in person or through a traceable medium such as registered mail.

The administrator is ultimately responsible for the safekeeping of the books and should not be put in a position where he/she jeopardizes this duty by allowing the books to remain in the auditor's office for an extended period of time.

Management Letters

Subsection 189(2) MA and Subsection 160(2) Cities require the auditor to report any improper or unauthorized transactions or non-compliance with legislation or any other statutes or bylaws that he/she finds during the course of the audit. The auditor must send a report to the council of the municipality and a copy to the responsible Minister of the Government of Saskatchewan. While legislation requires the reporting of "any" problem, auditors are encouraged to use their professional judgement to determine the materiality of the items listed in the management letter.

During the examination of the municipal accounting records the auditor may detect instances of error, fraud, theft or other misappropriation of funds. While the auditor's primary function is certainly not that of uncovering error and fraud, if such a discovery is made the auditor's response will depend upon his/her judgement of the importance of the discovery. In this regard the CPA Canada Handbook - Assurance, Canadian Auditing Standards (CAS) should guide auditors – CAS 240 "Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements". In instances of suspected fraud by a municipal employee the auditor must inform council and the responsible Minister. If council is suspected of fraud or error the responsible Minister must be informed.

The auditor's report is used to express an opinion as to the fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The auditor's report will also identify reservations in opinion (i.e. modification in opinion) where there are limitations in his/her audit examination or a departure from the applicable financial reporting framework, Public Sector Accounting Standards, for the municipality. The table below summarizes the types of modified audit opinions that may be issued by an auditor in accordance with CAS 705 "Modifications to the Opinion in the Independent Auditor's Report":

Nature of Matter Giving Rise to the Modification	Auditor's judgment about the pervasiveness of the effects or possible effects on the financial statements	
	Material but Not Pervasive	Material and Pervasive
Financial statements are materially misstated <i>(Departure from applicable financial reporting framework)</i>	Qualified opinion	Adverse opinion
Inability to obtain sufficient appropriate audit evidence <i>(Limitation on the scope of the audit)</i>	Qualified opinion	Disclaimer of opinion

The management letter may be used to further clarify reservations in the auditor's report and may include other matters the auditor wishes to communicate to council.

Management letters must be submitted to the council and to the responsible Minister along with the annual financial statements. The auditor should follow up on the action taken by the municipality as a result of the management letter during the next period's audit. The responsible Minister will follow up on the letter when necessary by contacting both the auditor and the municipality as soon as possible after receipt of the letter.

Auditors are encouraged to use an informal approach as well as a formal management letter. Written and oral communication with both the client and the ministry could help resolve problems even before they occur. A "proactive" approach is preferred over the traditional "reactive" policy.

Sample Administrator/Auditor Checklist

The following "checklist" may be used by the administrator as a guide to proper record keeping:

Cash and Securities

- Ensure that all types of official receipts such as tax, general and utility receipts have been entered in the cash book; check for correct distribution.
- Ensure numbered receipts are in use and that there is proper control of same. Note the continuity of receipt numbers. Maintain two copies of any void receipts.
- Discounts and rebates allowed on tax payments must be in accordance with the authorizing bylaw or legislation.
- Check and ensure that deposits to bank accounts are being made in accordance with legislation, are on a proper deposit form and are intact. Ensure deposit forms have been completed properly and investigate cases of third party cheques for which no receipt was issued. Note any lack of control in the management letter.
- Confirm deposits in transit.
- Follow through on returned items re-deposited.
- Determine if the cash on hand was verified by the administrator throughout the year; i.e. daily, weekly or at time of deposit.
- Verify cash on hand as at audit date. Determine if the administrator handles cash belonging to other organizations or individuals.
- Verify that the investments and securities held by the municipality are accounted for.
- Confirm bank account(s) balances with financial institution(s).
- Examine cancelled cheques, debentures and coupons, vouchers and invoices for validity and classification. Ensure that proper authority was given for disbursements, i.e. prior council resolution or bylaw, supported by vouchers. All cheques are to be numbered and accounted for. Ensure numeric control exists and determine if any blank cheques are pre signed. Note any lack of internal control in the management letter.
- Verify that contributions made by the employer and employees to pension plans, Employment Insurance Commission (EIC), Canada Pension Plan (CPP), income tax, group benefits, etc. are being correctly calculated and accounted for.
- Determine if the sale and/or purchase of property is supported by resolution/bylaw and if agreements for sale are in place and that proper accounting is done for tax title property vs. real estate. Price lists for assets for re sale particularly lots, should be in place.
- If a grant has been earned ensure that application forms are being promptly submitted to the government agency concerned. Verify with the issuing agency that the grant was paid or approved for payment.

- Ensure that grants-in-lieu of taxes are being applied for on any government or crown corporation property which is exempt from taxation but eligible for such grants.
- Confirm that remittances to other taxing/requisitioning bodies are being made in accordance with the relevant statute. Verify that liability statements reflect these payments.
- Ensure that grants paid to third parties on behalf of and at the request of the municipality are reflected in revenues and expenditures.

Assessment and Tax Roll

- Ensure all properties are included in the assessment and tax roll.
- Verify that the assessments coincide with the Certificate of Confirmation (original and supplementary) for each category and for the total.
- If changes have been made to assessments verify that they were properly approved by the Board of Revision, Assessment Appeals Committee or the Court of Appeal and that the Assessment Return has been submitted to the Saskatchewan Assessment Management Agency (SAMA).
- Check the calculations in the tax roll and ensure that the mill rates used were authorized by resolution according to the budget or statute for school and hospital rates, etc. Local improvement levies such as frontage taxes should be checked against the local improvement assessment roll and enabling bylaw(s). Other levies should be checked and the authorization by bylaw confirmed. If mill rate factors, minimum tax, base tax or tax phase-in are in use authorizing bylaws should be checked.
- Ensure that all amounts required by legislation to be added to the tax roll are added as required. For example, subsection 369(1)(d) of MA requires custom work charges and subsection 369(2)(b) of MA requires that unpaid fire extinguishing fees be added to the tax roll at the end of the fiscal year.
- Ensure that the assessment and the tax roll have been properly totalled and balanced.
- Check to see that the assessor's and administrator's certificates regarding the mailing of assessment and tax notices are present.
- Check to see that changes in the tax roll were authorized by resolution/bylaw, done by way of general journal entry and properly distributed (e.g. cancellations, adjustments, addition of costs). Other adjustments made to the roll must have statutory authority (e.g. tax title property acquired and Workers' Compensation Board assessments).
- Check posting of receipts and general journal to the tax roll.
- Verify statutory and/or bylaw authority for and the proper calculation of penalties on taxes.
- Verify that outstanding balances at year end for each category of taxes agree with the general ledger balances.

- Tax verification notices are to be sent as required by legislation. Positive confirmation may be used if deemed necessary.
- Verify that liability statements of the taxing/requisitioning bodies agree with the general ledger accounts and with cash receipts records.

Utility Records

- Verify that the utility rates being charged have been properly authorized. In all municipalities this shall be done by bylaw which in the case of towns, villages and resort villages only, must be approved by the Saskatchewan Municipal Board (SMB).
- Ensure that the utility rates being charged match the subsidiary and general ledgers and adjustments are being properly accounted and recorded.
- See also: "Cash & Securities" re: receipting, posting, numeric control of receipts, etc.
- Verify that utility deposits balance with the general ledger accounts and that they are being properly accounted for and recorded.

General Ledger and General Journal

- Check opening balances from the previous year's statement or trial balance.
- Check postings to the general ledger and subsidiary ledgers from cash receipts, cash payments and general journals.
- Determine if postings were made promptly during the year.
- Prove assets and liabilities to the extent possible. Examples are cash on hand by cash count; land inventories especially tax title property by examination of titles; overdraft liability by bank confirmation; and explain the situation if documentation is not available.
- Evaluate asset valuation allowances and recommend adjustment where deemed necessary.
- Check general ledger balances against the liability statements of other taxing/requisitioning bodies and subsidiary ledgers such as the tax roll, utility accounts, securities register and the tax title property record.
- Ensure that the organized hamlet reserve memo account is in balance with the organized hamlet reserve general ledger account and that the accounting for the organized hamlet funds conforms to the approved procedure.

Minutes and Bylaws

- Ensure that minutes of council meetings properly authorized expenditures and other financial transactions such as the budget and land sales. Verify that minutes are properly signed, pages initialled and that a quorum existed at each meeting. Check for proper notice or waiver of notice for special meetings. Comment in the Management Letter if you believe a material error was committed.

- Read bylaws which must be included within or attached to the minutes of the meeting at which third reading was given and carried to ensure that the bylaws were properly adopted and were approved by the SMB where necessary. Comment in the Management Letter if you believe a material error was committed.
- Particular attention should be given to bylaws regarding items such as long term loans and leases for SMB approval, proper accounting and establishing repayment terms.

Budget

- Verify that a budget was adopted including a five-year capital works plan if prepared and adopted and compare it to actual results. Comment in the Management Letter if you find material differences.
- Verify that the budgeted mill rate was used in the tax roll and that the budget properly reflects the application of any tax tools such as mill rate factors, a minimum tax, the base tax and tax phase-in.
- Changes to the budget made after its initial adoption should be investigated to ensure that the proper authority such as a resolution or bylaw was used.

Tax Enforcement Property Records and Securities and/or Debenture Records

- Verify that these records are being maintained properly and that the balances agree with the general ledger accounts.

Other

- Satisfy yourself that the accounting records are kept in a manner consistent with Canadian public sector accounting standards.
- Examine the surety bonds of all employees who are required to be bonded. Comment on any conditions not being adhered to.
- Examine the certificates-of-title on hand to ensure that they balance to the general ledger accounts and tax title property records.
- Review and follow up on the previous year's Management Letter.
- Examine insurance policies.

Legal/Statutory Requirements

The following is a summary of the provisions of the MA and Cities Acts which relate to the financial matters of municipalities. This summary is intended to give a general overview of the legislation only. The statutes themselves should be consulted for a strict interpretation and application of the law.

Statutes Section Reference

Council Benefits and Remuneration

82 MA
56 Cities

These sections outline the criteria for the payment of remuneration and the provision of benefits to council members and to hamlet board members. There are no hamlet boards in urban municipalities.

Council Quorums and Meeting Location

98, 109 & 124 MA
71 & 93 Cities

Council shall name a place within Saskatchewan as its office and council meetings must have the attendance of the majority the council members before business can take place.

Conflict of Interest

141 - 150 MA
117 Cities

Council members are required to declare any conflict of interest (pecuniary interest) and leave the meeting while the matter is under discussion.

Council may pass bylaws to establish additional conflict of interest rules and procedures. Subsection 117(3) in the Cities Act allows the member to remain in the room under certain circumstances.

Bonding

113 MA
88 Cities

Council is required to pay for the bonding of the treasurer/ administrator, every employee who handles cash and any other employee that it considers necessary to an amount of not less than \$10,000 per employee.

The Cities Act does not have a minimum set in legislation and as such the amount is as council considers appropriate.

Duties of the Administrator/Clerk (Treasurer) (City Commissioner, City Manager)

111, 159, 185, 186,
272, 141, 143, 144
147 - 150 MA
75, 85, 117(5) Cities

The minutes of council meetings must contain:

- All resolutions and actions of council including the original of each bylaw;
- The names of the council members present at the meeting;
- Recorded votes where requested by a council member. The Cities Act states that the request that the vote be recorded must be before the vote;
- Declarations of pecuniary interest;
- The signature of the presiding council member on the last page. The presiding member should initial the bottom of each page and the clerk should also sign the last page.

- 111, 115, 154, 159,
185, 186, 272 MA
242(3) Cities
- The administrator must collect and receive all monies paid to the municipality and issue official receipts for same. The exception is for payments made by electronic transfer of funds or through a third party that collects money on behalf of the municipality. Under *The Cities Act* this may be a designated officer.
- 111, 115, 154, 159
185, 186, 272 MA
- The administrator is responsible for the safekeeping of all monies, including the deposit of same in a bank or credit union designated by council. Deposits are to be made, when cash collections accumulate to the amount determined by council that is equal to or less than the amount for which the administrator is bonded or insured.
- 111, 115, 154, 159
185, 186, 272 MA
131 Cities
- All payments of funds by the municipality must be authorized by council resolution or bylaw and made by cheque signed by the administrator and countersigned by the mayor/reeve or deputy mayor/deputy reeve or by electronic transfer under certain conditions. In rural municipalities the assistant administrator may sign cheques if authorized by council or in the absence of the administrator. A city may make expenditures that are included in the operating or capital budget or otherwise approved by council and cheques may be signed by persons authorized by council.
- 111, 115, 154, 159
185, 186, 272 MA
- The administrator must keep and make use of books of record and account which may be in an electronic format, that the responsible Minister or council may require. At a minimum, this should include journals for cash receipts and cash payment and subsidiary records such as a tax roll, a securities register, tax enforcement records and a utility ledger. Where practicable, a general ledger and a general journal should be maintained.
- 111, 115, 154, 159
185, 186, 272 MA
339 & 353 (4) Cities
- The administrator must produce the municipality's books etc., when called for by the auditor, the council or another competent authority.
- 111, 115, 154, 159,
185, 186 MA
89 & 127 Cities
- Council may authorize establishing bank accounts for various city purposes on which cheques may be drawn and signed by an official(s).
- 111, 115, 154, 159,
185 MA
156(1) Cities
- The administrator shall prepare before July 1 (Cities - September 1) in each year, a financial statement for the municipality for the preceding fiscal year. The statement is to be prepared in accordance with generally accepted accounting principles for local governments as recommended by the Chartered Professional Accountants of Canada.
See also Section 8 and 403 of the MA regarding audit of utilities.

186 MA
157(2) Cities The municipality is required to submit financial information to the responsible Minister, on request, that the Minister may require from time-to-time. This is in addition to the financial statement that is submitted as required by 185 MA.

Appointment of an Auditor

188 and 395 MA Refer to the "Auditor's Responsibilities Section".
159 – 160 Cities

Auditor Examination and Duties

185, 187 - 190 MA At least once each year the auditor shall examine, the books of the
158 Cities municipality. He/she shall also examine the books of any organization which is established by the council and which administers public funds. The key phrase here is "established by the council". Boards that council participates in or has representation on such as chambers of commerce, regional libraries, health districts, etc. need not be audited by the municipal auditor as a requirement of this subsection. Section 8 and 403 MA says the auditor shall examine the books, accounts and records of each public utility service provided by the urban municipality. *The Cities Act* refers to controlled corporations.

185, 187 - 190 MA The books of inter-municipal boards established by council are to be
audited by the auditor of the municipality which contributes the most money towards the operation of the board.

185, 187 - 190 MA The auditor has free access to all books, records, accounts, etc. of the
161 Cities municipality or its board(s).

185, 187 - 190 MA The auditor must report to the council and the minister if he/she
160(2) Cities finds any negligence, irregularity or discrepancy in the books and records of the municipality. Refer to the "Management Letters" portion of the "Auditor's Responsibilities" section.

185 and 186 MA The auditor shall on or before July 1 of each year, complete the audit of
the municipality and verify the financial statement prepared by the treasurer/administrator.

185 - 190 MA The auditor must send copies of the completed financial statement to
157(1) Cities the council of the municipality and to the Minister by July 1.
A city shall submit audited financial statements, the auditor's report and public accounts to the Minister on or before September 1 of each year.

191 MA The auditor shall send, not later than August 1 in each year, verification notices to every person who is indebted to the municipality including taxes.

Powers and Duties of Councils

185(3) MA 155(3) Cities	On or before September 1 in each year a municipality must publish either the financial statement or a synopsis of the financial statement in a manner council considers appropriate. A city shall publicize its financial statement, or a summary of them and the auditor's report of the financial statements in the manner council considers appropriate.
5, 119, 193 MA 5(3) Cities	Council must exercise its authority by either resolution or bylaw. Every resolution and bylaw passed must be included in the minutes of a council meeting. No action can be taken without council authorization.
8, 336, 368, 369 MA	These sections give council the general power to add expenses relating to work completed by the municipality in default to the taxes on the land on which the work was done. Other sections of the MA give specific power to add amounts to the tax roll. Refer to Subsections 364 - 366, 369 re: building nuisances; 367 and 369 re: building standards; 364 - 366 and 369 re: untidy lands or buildings; 364 - 366 and 369 re: junked vehicles; 405 re: excavations or customer work; 8 re: waste removal rates; 31 and 369 re: utility rates; 310, 312, 313 and 318 re: special assessments such as frontage taxes; and 31 and 369 re: special municipal services.
65 Cities	Outlines general duties of councillors.
41, 103, 105, 107, 115, 131 MA 77, 78 and 79 Cities	Every bylaw must receive three separate readings with the third reading constituting adoption. A bylaw can receive three readings at one meeting, but only by unanimous consent of the council members present. In order to amend or repeal a bylaw a new bylaw must be adopted. In order to rescind or reconsider a resolution a new resolution must be passed. After receiving third reading, a bylaw must be sealed with the municipal seal and signed by the clerk/ administrator and by the council member who presided at the meeting at which third reading was given. The presiding officer is usually the mayor/reeve or the deputy mayor/deputy reeve.
8 and 39 MA 25 & 26 Cities	Where a Business Improvement District (BID) has been established, council can authorize a levy or charge on business property within the BID. This levy can be collected in the same manner as property taxes.

Finance

8 MA	The administrator is responsible for submitting an annual financial report to council for each public utility operated by the municipality and the municipal auditor is responsible for examining the books of these utilities.
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Fiscal Year

153 MA The financial year of a municipality is the calendar year.
126 Cities

Service Fees

299 MA Council may by bylaw, set fees in connection with any services provided
264 Cities by the municipality and set out the conditions of service.

Budgets

Preparation/Adoption

155 and 156 MA Council must prepare and adopt a budget and establish a mill rate in each
128 Cities year. The budget must take into account revenues and expenditures for the
 year including debt repayments, utility deficits, the operating deficit for the
 immediately preceding year, ordinary operating and capital expenditures,
 statutory requirements, allowances for tax collections, discounts,
 abatements and uncollectible taxes and all sources of revenue.
 Any subsequent changes to the budget must also be approved by council.

Capital Works Plan

157 MA Each year council may prepare a budget outlining an estimate of capital
130 Cities expenditures and sources of financing for each of the next five years,
 including the current year. The period is not defined for cities.

Sask. Municipal Board (SMB) Approval

158 MA In some cases, the SMB may require the submission of a municipal budget
 for its approval.

Use of Borrowed Money

165 MA Monies borrowed or otherwise held for capital purposes are not to be used
 to pay for current expenses. See Long-Term Debt below for exceptions.

48 MA Council decides when, the manner, the price or the person to whom any land
38.1 Cities or buildings of the municipality that the council may lawfully sell should be
 sold.

Temporary Debt for Current Operating Expenditures

166 MA This section gives council the authority to borrow money by bylaw or
136 Cities resolution, for current operations and limits the borrowing to the total of
 municipal taxes and unconditional provincial or federal grants received in
 the year of borrowing.

Long-Term Debt

165 MA	If a municipality borrows for the purpose of financing a capital project the municipality can use the borrowed money for an operating purpose if the amount spent is available when needed for the capital property, unless the money was obtained pursuant to a borrowing bylaw or resolution that has been put to a vote of the voters.
161 - 164 MA 133 Cities	Council may create a debt not repayable in the current year. For municipalities without an established debt limit, SMB approval is not required if the debt is repayable within the three subsequent years, no debentures are being issued and the debt does not exceed the municipality's own source revenues for the previous year. For municipalities with an established debt limit, SMB approval is only required if debentures are issued or if the borrowing will exceed the debt limit. City(s) debt limits are established by SMB and exceeding limits must be approved by SMB.
163 & 164 MA 134 Cities	Council must pass a borrowing bylaw to incur long-term debt – if the borrowing causes it to exceed its debt limit, is not repayable within 3 years, or is secured by the issue of debentures. Council may issue debentures or promissory notes as security for the debt. A bylaw passed under this section must be approved by SMB, if the SMB authorized the borrowing. Section 133 of the Cities Act states that SMB approval is only required if the debt is greater than the city's debt limit.
161 and 162 MA	The amount of long-term debt payable by a municipality at any one time is limited by SMB.
175 and 176 MA 145 Cities	A designated officer shall maintain a register of all securities issued by the municipality.

Sinking Funds

142(2)(b) Cities	This section deals with sinking funds, which exist in only two Saskatchewan cities at present.
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Confirmation of Assessment Roll

258 MA 228 - 231 Cities	The assessor must submit an annual assessment return to SAMA outlining any changes made to the municipality's assessment from the previous year. If assessments are added to the roll after the submission of the return, the assessor is required to make a supplementary return. In either case, SAMA must confirm the assessment by providing a certificate to the assessor before taxes can be legally recovered pursuant to the municipal acts or <i>The Tax Enforcement Act</i> . Tax notices may be mailed prior to SAMA's confirmation at the discretion of the administrator.
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Tax Exemptions and Adjustments

274, 292, 295, 296, 304, 305 MA
262 Cities

These provisions relate to adjustments that may or shall be made to the tax roll for taxes that have been: exempted by bylaw (Subsections 292, 295, 296 and 411 MA); adjusted due to an addition or deletion of a building assessment from the tax roll (Section 304 MA); adjusted due to a decision of the Assessment Appeals Committee of the SMB or Court of Appeal (Section 305 MA) or adjusted by council resolution for compromise or abatement (Section 274 MA).

298 MA
263 Cities

Where a council exempts or partially exempts any land or improvements from taxation the municipality must raise an amount equal to the amount which would have been levied on behalf of the other taxing authority. This requirement may be waived upon agreement of the other taxing authority plus any municipality that also levies rates on behalf of the other taxing authority. This requirement may also be waived where the exemption is granted for the purposes of economic development.

Apportionment of Fees and Grants-in-Lieu

308 - 309 MA
271 - 273 Cities

These sections provide for sharing of trailer/mobile home licence fees and certain grants-in-lieu of taxes with school authorities in the same proportion as regular taxes are shared. Only grants-in-lieu of taxes that are calculated on the basis of assessment times (x) mill rate need to be shared.

Monthly and Annual Education Property Tax Return

15 The Education
Property Tax Act

Municipalities must file a monthly education property tax return when taxes are collected for a school division. The monthly return is due on or before the 10th of each month for the month previous. Municipalities must also file an annual education property tax return when taxes are collected for a school division. The annual return is due on or before January 31 each year for the previous tax year. The returns detail the municipality's liability for school taxes.

Collection of Taxes

Discounts and Penalties

272, 273,
279 - 282 MA
242, 249 – 252 Cities

Discounts for prompt payment of taxes must be set by bylaw, subject to prescribed limits. Penalties for non-payment of taxes must also be set by bylaw.

Prorating Tax Payments

273 MA
243(1)(b) Cities

Requires that partial payments of taxes are to be prorated among the taxing authority, rather than allocated entirely to just one of these jurisdictions.

Other Taxes

310, 312, 313, 316,
318 MA
279 Cities

These sections give council the authority to charge other types of taxes on land or improvements. The types of taxes in this category are: privy taxes, special municipal services, spur tracks, encroachments on streets or sidewalks, amusement tax, fire, emergency and related services, sanitation, scavenging, fire protection and/or street lighting services.

Special Levies

53, 61 - 63, 284,
285 MA
46 Cities

As negotiated in a restructuring agreement, special levies may be imposed on properties for various purposes such as settling the liabilities of a former municipality.

Organized Hamlets

69 - 74, 78 MA

Provides for the allocation of grants and tax revenues to an account to be used solely for hamlet board purposes. Provides for special purpose tax levies on properties within a hamlet and the application of different mill rates and mill rate factors (see 284 and 285 MA) within a hamlet.