

## **Independent Practitioner's Reasonable Assurance Report on Compliance**

### **To the Minister of Transport & Directors of the Port Alberni Port Authority**

We have undertaken a reasonable assurance engagement of the accompanying statement of the Port Alberni Port Authority's compliance as at November 15, 2024, with the specified requirements described in Sections 38 and 41 (1) of the Canada Marine Act (1998) (the specified requirements).

### **Management's responsibility**

Management is responsible for Port Alberni Port Authority's compliance with the specified requirements described in Sections 38 and 41 (1) of the Canada Marine Act (1998). Management is also responsible for such internal control as management determines necessary to enable Port Alberni Port Authority's compliance with the specified requirements.

### **Our responsibility**

Our responsibility is to express a reasonable assurance opinion on Port Alberni Port Authority's compliance based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements 3531, Direct Engagements to Report on Compliance. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the entity complied with the specified requirements, in all significant respects.

Reasonable assurance is a high level of assurance but is not a guarantee that an engagement conducted in accordance with this standard will always detect a significant instance of non-compliance with specified requirements when it exists. Instances of non-compliance can arise from fraud or error and are considered significant if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. A reasonable assurance compliance reporting engagement involves performing procedures to obtain evidence about the entity's compliance with the specified requirements. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of significant non-compliance, whether due to fraud or error.

A final plan for the examination, based on our survey of Port Alberni Port Authority's systems and practices, was submitted to the Audit Committee. The final plan included the criteria to be applied in the special examination. The criteria for this examination were selected in consultation with Port Alberni Port Authority. They were based on our knowledge and experience with value for money auditing and with reference to legislative and regulatory requirements, to standards and practices followed by Port Alberni Port Authority and by other organizations and to professional literature. Appendix A summarizes the criteria used in our work.

The final plan used for the special examination also identified those systems and practices that we considered essential to providing Port Alberni Port Authority's with reasonable assurance with respect to its assets being safeguarded and controlled, its resources being managed economically and efficiently, and its operations being carried out effectively. The systems and practices of four key department and functional areas selected for detailed examination and our criteria used are listed in Appendix A. The audit procedures performed are listed in Appendix B.



We believe the evidence we obtained is sufficient and appropriate to provide a basis for our opinion. We did not rely on any internal audits during our examination.

### **Our independence and quality control**

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Opinion**

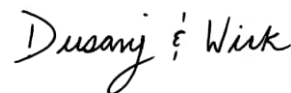
In our opinion, Port Alberni Port Authority complied with the specified requirements established in Sections 38 and 41 (1) of the Canada Marine Act (1998) during the examination period of January 1, 2024, to November 15, 2024, in all significant respects.

We do not provide a legal opinion on Port Alberni Port Authority's compliance with the specified requirements.

### **Purpose of statement and restriction on distribution and use of our report**

Our report has been prepared to report Port Alberni Port Authority's compliance with the specified requirements, established in Sections 38 and 41 (1) of the Canada Marine Act (1998). As a result, this report may not be suitable for another purpose.

Our report is intended solely for Port Alberni Port Authority and the Minister of Transportation, in accordance with the terms of our engagement, and should not be distributed to or used by parties other than Port Alberni Port Authority and the Minister of Transportation.



Victoria, British Columbia  
December 2, 2024

Chartered Professional Accountants

**Port Alberni Port Authority  
Special Examination  
Systems, Practices and Criteria**

Systems and practices examined covered each of the four departments and functional areas approved by the Audit Committee for examination as follows:

- Finance and administration
- Real estate services
- Cargo operations and terminal facilities
- Harbour operations, marinas and other facilities

In reviewing each of these functions and departments, the following criteria were used:

1. The extent to which important financial and non-financial elements pertaining to the performance of the Port are identified, reported and carefully monitored
2. The extent to which the Board and its committees are effective in the governance of the Port
3. The extent to which the objectives of the Port have been realized in a satisfactory manner
4. The extent to which the future and strategic plans for the Port are considered and actioned upon
5. The extent to which the Port's activities are appropriate and that systems are in place to ensure that the activities are in accordance with the CMA, the letters patent and, when applicable, the by-laws of the Port
6. The extent to which the Port's financial controls are kept, maintained, and monitored
7. The extent to which the Port complies with environmental legislation, relevant guidelines, and applicable codes
8. The extent to which environmental performance is reviewed, evaluated, and considered in current and future operations
9. The extent to which other stakeholders, including employees are considered in current and future operations
10. The extent to which information technology security is appropriately considered, managed, and aligned to the Port's business and potential risks
11. The extent to which capital projects are managed effectively to enable the Port to deliver them to meet identified objectives
12. The extent to which the preventative maintenance program for assets is designed appropriately and operates effectively to meet objectives

*Appendix B*  
**Port Alberni Port Authority**  
**Special Examination**  
**Audit Procedures**

Examination Criteria	Audit Procedures
<b>Focus Area: Monitoring, Governance and Strategic Planning</b>	
<ul style="list-style-type: none"> <li>• The extent to which important financial and non-financial elements pertaining to the performance of the Port are identified, reported and carefully monitored</li> <li>• The extent to which the Board and its committees are effective in the governance of the Port</li> <li>• The extent to which the objectives of the Port have been realized in a satisfactory manner</li> <li>• The extent to which the future and strategic plans for the Port are considered and actioned upon</li> </ul>	<ul style="list-style-type: none"> <li>• Review monthly Board packages, Board minutes and action plans</li> <li>• Review of performance measures</li> <li>• Assess performance measurement processes with regards to stewardship of assets and resource allocation</li> <li>• Review plans for emergency management and disaster recovery</li> <li>• Inquire with the Board Chair or Treasurer and CEO</li> </ul>
<b>Focus Area: Operational Control and Financial Reporting</b>	
<ul style="list-style-type: none"> <li>• The extent to which the Port's activities are appropriate and that systems are in place to ensure that the activities are in accordance with the CMA, the letters patent and, when applicable, the by-laws of the Port</li> <li>• The extent to which the Port's financial controls are kept, maintained, and monitored</li> </ul>	<ul style="list-style-type: none"> <li>• Review CMA and letters patent</li> <li>• Review controls and systems in place to ensure accordance with regulations</li> <li>• Review reconciliations of major accounts</li> <li>• Review systems and processes in place for financial reporting</li> <li>• Review of controls over procurement and approval limits</li> <li>• Review of journal entry posting process and access restrictions</li> </ul>
<b>Focus Area: Environmental Stewardship and Stakeholder Engagement</b>	
<ul style="list-style-type: none"> <li>• The extent to which the Port complies with environmental legislation, relevant guidelines, and applicable codes</li> <li>• The extent to which environmental performance is reviewed, evaluated, and considered in current and future operations</li> <li>• The extent to which other stakeholders, including employees are considered in current and future operations</li> </ul>	<ul style="list-style-type: none"> <li>• Review environmental policies relevant to the Port</li> <li>• Review the process in which environmental performance is reviewed and evaluated</li> <li>• Assess whether operational activities align with environmental policies and commitments</li> <li>• Review of labour union relations</li> <li>• Review of health and safety management plans</li> </ul>
<b>Focus Area: Information Technology Security</b>	
<ul style="list-style-type: none"> <li>• The extent to which information technology security is appropriately considered, managed, and aligned to the Port's business and potential risks</li> </ul>	<ul style="list-style-type: none"> <li>• Review IT threat assessment</li> <li>• Review IT security policies and procedures</li> <li>• Review IT system operations and access</li> <li>• Review risk mitigation strategies</li> <li>• Review disaster management plan relating to cybersecurity incidents</li> </ul>
<b>Focus Area: Major Capital Project Management and Preventative Maintenance Program</b>	
<ul style="list-style-type: none"> <li>• The extent to which capital projects are managed effectively to enable the Port to deliver to meet identified objectives</li> <li>• The extent to which the preventative maintenance program for assets is designed appropriately and operates effectively to meet objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Review the effectiveness and efficiency of capital project management</li> <li>• Review governance over capital project management</li> <li>• Review insurance policies</li> <li>• Review business continuity plan</li> <li>• Review physical asset safeguards</li> </ul>