



Vaudreuil-Dorion, June 16, 2025

To Council members
Town of Hudson
481, Main Road
Hudson (Québec) J0P 1H0

Re : Findings arising from the audit

Ladies and gentlemen,

The purpose of this letter is to assist you in your review of the financial statements of the **Town of Hudson** for the year ended December 31, 2024. It would be a pleasure to meet with you to discuss the issues outlined below.

Significant deficiencies in internal control

There is a deficiency in internal control when a risk is not addressed by a control or when a control is designed, implemented, or operates in such a way that it does not allow the prevention, or detection and correction, misstatements in the financial statements on a timely basis, or when a control required to prevent, or detect and correct those misstatements in the financial statements on a timely basis is absent.

A significant deficiency in internal control is a deficiency or combination of deficiencies in internal control that, according to the professional judgment of the auditor, is sufficiently serious to require the attention of those who are in charge of governance.

In order to identify and assess the risks of material misstatement in the financial statements, we are required to obtain an understanding of the aspects of any internal control relevant to the audit. This understanding is used solely for the purpose of designing audit procedures appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control; therefore, we do not express such an opinion. The limited nature of our examination also means that there is no assurance that all significant internal control deficiencies, or any other deficiency relating to control, will be detected during our review.

Rev. : Audit – 2024

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We have not identified any control deficiencies that, in our judgment, would be considered a significant deficiency, except for those described below:

No	Nature of the notable deficiency	Impact on the financial statements	Recommendation
1-	The municipality has no policy regarding the approval of journal entries.	Unauthorized entries could be recorded.	Implement a policy for the approval of journal entries.

Other audit matters for those charged with governance.

We would like to bring to your attention some other matters that came up during our audit:

- There is no policy relating to information technology (security, rights to access, frequency of password changes, the level of complexity of passwords, etc.).
- We noted that the town did not publish on the SEAO website the complete list of contracts worth more than \$25,000 that it awarded.
- Following the effective date of Section SP3280 regarding obligations related to the retirement of capital assets, the town did not proceed with the assessment and compilation of the liability in relation to this obligation. We therefore recommend that you conduct this analysis to make sure that you comply with the Canadian public sector accounting standards.
- We found that a tax rate was applied even though it was not included in the tax regulations.
- The town has granted an addition to a contract. This procedure resulted in the total contract awarded exceeding the threshold allowed by the town's contract management regulations, which authorize public tendering to be waived.
- During the audit of salaries and benefits, we identified deficiencies in the implementation of controls necessary for the proper processing of payroll. The discrepancies identified are not significant but require special attention.

Significant risks

The significant risks we identified as part of the mission, as well as the audit responses implemented, have been detailed in the audit planning letter.

Important issues identified during the audit

No changes have been made to the audit plan presented to you in the audit planning letter.

Significant difficulties encountered during the audit

We did not encounter any significant difficulties during our audit.

Comments on accounting practices**Accounting methods**

Significant accounting methods applied by the municipality are described in Note 2 to the financial statements.

- a) The municipality has applied the new accounting standard SP3400 "Revenues," as described in note 3 to the financial statements.
- b) We have not determined that other accounting methods are more appropriate in the circumstances
- c) We have not observed any significant accounting methods applied in controversial or new areas

Significant accounting estimates

As agreed in the letter of affirmation, you have acknowledged your responsibility for determining the accounting estimates. Based on the audit work we have done, we believe that management's estimates are reasonable.

Uncorrected anomalies

We compiled all uncorrected anomalies detected during the audit and communicated them to management. We subsequently asked management to correct these anomalies. All uncorrected misstatements for the period covered have been corrected, except for those attached to the affirmation document, if applicable.

We hope that the information contained in this letter regarding the findings arising from the audit will be useful to you. It would be a pleasure to talk with you and answer any questions you may have relating to this.

We would like to thank management and staff members for their assistance throughout our audit.

This letter has been prepared solely for the use of the **Town of Hudson** governance officials in fulfilling their responsibilities. The content must not be passed on to any third party without our prior consent, and we assume no responsibility pertaining to such other person.

We kindly present you with our best regards, and we look forward to hearing from you soon.

BCGO S.E.N.C.R.L.

A handwritten signature in blue ink, reading 'Jocelyne Poirier'.

Jocelyne Poirier, CPA Auditor
Associate

JP/si