

**AUDIT COMMITTEE MEETING  
TOWN OF LUNENBURG**

July 14, 2025 | 6 pm

Lunenburg Town Hall - Council Chamber



- Present** Mayor Jamie Myra, Deputy Rachel Bailey, Councillor Alex Greek, Councillor Debbie Dauphinee, Councillor Renea Babineau, Councillor Gale Fullerton, Councillor Alison Strachan, Dan Steele, Michael Belliveau, and Rachel Martin
- Also present** Kathleen Rafuse, Deputy Director of Finance  
Jacob McGuigan, Accountant  
Kaylee Jensen, Recording Secretary
- Call to Order** The Chair called the meeting to order at 6:01 p.m.
- Land Acknowledgment** The Chair recognized Lunenburg’s location on the unceded territory of the Mi’kmaq people.
- Approval of Agenda** Moved and seconded that the Audit Committee approve the agenda for the July 14, 2025 meeting as presented.  
**Motion carried unanimously**
- Approval of Minutes** Moved and seconded that the Audit Committee approve the minutes from the April 3, 2025 meeting as presented.  
**Motion carried unanimously**
- 2024/25 Municipal Audit Process – Belliveau Veinotte Inc.** Michael Belliveau of Belliveau Veinotte Inc. presented the 2024/25 Town Auditors Overview for the Municipal Audit Process. Michael explained that Belliveau Veinotte has an audit fee of \$24,000 and the field work would begin on August 11th, and lead into the following week for a total of 1 1/2 weeks. Michael explained they take the information away with the collected data and spend weeks preparing it for the mid to late September date. Michael expressed they are prepped and ready to ensure things will be done by the meeting, and then he can send the information to the province.
- Rachel Martin asked if a report would be provided regarding materiality, and Michael responded that it would not, as management is already aware of the materiality thresholds.
- Rachel Martin asked about receiving the over/under sheet. Michael explained that if there are actual entries prepared, then yes—it would be shared, as those entries need to be recorded.

Michael emphasized that it's not a bad thing to identify potential issues—on the contrary, it's important to look at them to assess both financial and operational risks. While some risks may not have an immediate dollar impact, they could develop into financial concerns over time. For example, assessing how a department like Public Works operates—considering factors such as an aging workforce, overstaffing, or understaffing—can help identify risks beyond just numbers.

Regarding internal controls, Michael mentioned that the internal control letter will be provided. Last year, there were no issues noted. He stressed that management takes internal controls seriously and continuously evaluates them. When changes occur, he's usually informed right away so they can work together to address any gaps or risks in the control process.

Rachel asked about proactive and operational risks—specifically, whether those types of risks would appear in an audit and if there are examples of how they might show up. Michael responded that, as auditors, the primary focus is on financial matters. However, operational risks can still surface through financial indicators. For example, they look at whether employees are taking their vacation time. If employees consistently aren't taking vacation, it can raise red flags—such as potential fraud. Not taking vacation could indicate someone is trying to avoid having others review their work, which is considered a potential risk area.

Michael explained that the current surplus exists largely because the organization has been short-staffed and not operating at full capacity. As auditors, their role is to ensure the reported financial numbers accurately reflect that reality. Auditors use a variety of tools and procedures to verify the accuracy of the financial statements.

Alison asked where cybersecurity fits into the audit process. Michael responded that auditors do evaluate IT controls, which includes aspects related to cybersecurity, to ensure systems are secure and functioning as intended.

There was also a question about the approval process. Council meets prior to the audit submission deadline, and it was suggested that Council reconvene to formally approve the audit before it is finalized and submitted.

late September.

The importance of internal controls in minimizing risk and supporting audit efficiency was also emphasized.

Committee members asked questions about:

- Whether materiality thresholds or over/under sheets would be provided (they will be if entries are recorded);
- How operational risks might signal deeper issues;
- The inclusion of IT and cybersecurity within the audit scope (they are reviewed as part of IT controls);
- The timing of Council approval for the audit and whether a formal meeting should be scheduled prior to submission.

Next Meeting            The next meeting is scheduled for Monday, September 22, 2025, at 6 p.m. in Council Chambers.

Adjournment            There being no further business, the Council meeting adjourned at 6:30 p.m.

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Minutes were read and approved.