

AUDIT COMMITTEE MEETING MINUTES

THURSDAY, JUNE 4, 2020 AT 12:00 P.M.

(VIA AUDIO/VIDEO CONFERENCE DURING COVID-19 PANDEMIC)

PRESENT: Mayor Rachel Bailey
Deputy Mayor John McGee
Councillor Peter Mosher
Councillor Matt Risser
Jamie Green, Citizen Appointment

ALSO PRESENT: Paul Belliveau, Belliveau Veinotte Inc., Chartered Professional Accountants
Michael Belliveau, Belliveau Veinotte Inc., Chartered Professional Accountants
Lisa Dagle, CPA, CGA, Finance Director
Kathleen Rafuse, Accountant
Bea Renton, Chief Administrative Officer

ABSENT: Councillor Ronnie Bachman
Councillor Joseph Carnevale
Councillor Danny Croft

1. Welcome and introductions - Mayor Bailey, Chair

The Mayor called the meeting to order at 12:03 p.m. It was explained that the Town is holding additional Audit Committee meetings to share information about the audit process as per Town Policy and the Municipal Government Act.

2. Agenda

Motion: moved and seconded to approve the agenda. Motion carried.

3. November 19, 2019 Audit Committee Meeting Minutes

Motion: moved and seconded to approve the November 19, 2019 minutes. Motion carried.

4. Municipal audit 2020/21 audit process - Belliveau Veinotte Inc. Chartered Accountants and Town Auditors overview

➤ Audit approach overview

Messrs. Belliveau provided an overview of the audit process. They noted that the Mayor's son, Brennan Bailey, is a staff member of their firm. They continue to have office protocols and procedures to ensure that he has no involvement with the Town audit.

➤ Estimated and final audit fee

Their annual audit fee is \$20,000.

➤ Identification of any potential areas of risk by the Committee for the Auditors' consideration

The audit is premised on a risk based approach to determine if there are material misstatements.

They inquired if the Committee has any particular issues or concerns relating to matters that should be addressed in the audit. None were identified at this time by Committee members.

The audit uses various materiality levels to trace revenue procedures to ensure accurate Town accounting.

Audit process will begin later this year due to the pandemic, starting July 6 for approximately two weeks on site at the Town with special arrangements to reduce the spread of the COVID-19 virus. The audited financial statements should be prepared for Audit Committee review by the end of July. Their audit will also make mention of the potential impact of the pandemic, such as the loss of revenue for Town facility rentals which are not currently rented to the public.

They added that the Audit Committee is required to review the remuneration and expenses of Town officials and certain employees.

- Internal controls
- Review of 2018/19 Audit letter

In their internal control letter from 2018/2019 fiscal the auditors identified the following:

The Province of Nova Scotia has recommended that every three to four years Municipal units should undergo an internal control evaluation. (Financial Reporting and Accounting Manual 3(3)(b) vi) The main purpose of an internal control evaluation is to document all details of your processes, identify any weaknesses and recommend improvements to the systems. Most of your staff have their processes documented in various ways both formal and informal. In anticipation of this occurring sometime in the future the following is recommended. Staff to formalize the operational processes of each position in the finance department in one document. This project would provide opportunity to identify any weaknesses or areas to improve efficiencies. Also having a formal document of procedures would reduce the risks of any loss of institutional knowledge should an employee leave, or in case of an emergency another staff member would be able to fill in and perform that function.

The auditors will follow-up on this item with finance staff during the 2019/20 audit.

5. Adjournment

Motion: moved and seconded to adjourn the meeting. Motion carried.

The meeting was adjourned at 12:22 p.m.

Bea Renton, CAO