



WEST HANTS REGIONAL MUNICIPALITY
Audit Committee – Meeting Agenda
May 26, 2021, 6:00 p.m.
Via Zoom and Facebook Livestreamed

1. Call to Order
2. Declaration(s) of Conflict of Interest
3. Announcements
4. Approval of Agenda, including additions or deletions
5. Approval of February 3, 2021 Minutes, including additions or deletions
6. New Business
 - (a.) West Hants Regional Municipality Audit Plan – Auditor Andy Forse, Kent & Duffett
 - (b.) Information Report – Quarterly Budget Report, month ending March 31, 2021 – Financial Services Director Carlee Rochon
7. Date of Next Meeting
8. Adjournment



WEST HANTS REGIONAL MUNICIPALITY
Audit Committee Meeting Minutes
May 26, 2021, 6:00 p.m.
Virtual Meeting via ZOOM

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| Present: Abraham Zebian | Mayor / Committee Chair |
| Mark McLean | Councillor, District 3 |
| Ed Sherman | Councillor, District 7 |
| Glenn Robinson | Citizen Member |
| Jane Davis | Citizen Member |
| Carlee Rochon | Director of Financial Services |
| Mark Phillips | Chief Administrative Officer (CAO) |
| Carmen Dewar-Miller | Administrative Assistant |
| Andy Forse | Auditor, Kent & Duffett |

1. Call to Order

Mayor Zebian called the meeting to order at 6:01 pm

2. Declaration(s) of Conflict of Interest

No declarations

3. Announcements

No announcements

4. Approval of Agenda, including additions or deletions

Mayor Zebian asked for a motion to approve the agenda

MOVED BY COUNCILLOR M. MCLEAN AND CITIZEN MEMBER ROBINSON THAT THE AGENDA BE APPROVED.

Motion Carried.

5. Approval of February 3, 2021 Minutes, including additions or deletions

Mayor Zebian asked for a motion to approve the minutes. Councillor M. McLean noted that within the minutes, references to him should include his first name, as his brother Scott is also a Councillor and this would eliminate any confusion.

MOVED BY COUNCILOR M. MCLEAN AND COUNCILOR SHERMAN THAT THE MINUTES, WITH CORRECTIONS MADE, BE APPROVED.

Motion Carried.

6. New Business

- (a.) West Hants Regional Municipality Audit Plan was presented by Auditor Andy Forse of Kent & Duffett

This is the first year of auditing the regional municipality, so all policies and procedures will be evaluated. COVID has caused a delay but will not affect the audit. Process started last February with interim testing and planning.

Auditors look for sufficient and appropriate audit evidence to provide an opinion that financial statements are free from material misstatement.

There is continued emphasis on internal controls. The auditors are satisfied with the design of the Region's internal controls and will test them over three consecutive years. If they pass, these controls can be used as a source of audit evidence, reducing testing.

Mr. Forse touched on testing procedures and high-risk areas of focus. Any issues that cannot be resolved at staff level will be raised to the Audit Committee before the audit is concluded.

Asset Retirement Obligations is a new policy coming into effect. Mr. Forse will work closely with Director Rochon on this, starting 2022 through 2023 when it will be required that WHRM adopt this policy.

There are some new foreign currency policies (minimal) and some portfolio investment changes to policies (minimal). New policies for derivatives, but unlikely to occur.

The only other policy of real consequence would be if PCAP does not have a policy to meet a situation. The default would be to fall back on international standards. This is unlikely but Mr. Forse will discuss it with Director Rochon.

Discussion Points

- A standout in the WHRM process is approvals over expenditures. It is very difficult for someone to get an inappropriate expenditure approved and paid. There are many layers of authorization and approvals and then a fallback approval control.
- One area that continues to be worked on is Accounts Receivable (AR), a difficult process for the Municipality as thousands of people owe us

money on any given day. Ratios have come way down (to under 15%). This area has been stressed for improvement and has improved.

Director Rochon anticipates the audit to take eight weeks. Given the volume of the new work it could be early October. An update will be provided in July.

- (b.) Information Report – The Quarterly Budget Report, month ending March 31, 2021, was presented by Financial Services Director Carlee Rochon

Director Rochon provided the following information based on questions received in advance of the meeting regarding information in the report:

- Sewer utilities are governed under two separate by-laws with separate rates. This will continue until the by-laws / sewer utilities are consolidated. Until that time revenues must be represented separately.
- When the RCMP issues tickets within our region, the Municipality receives some revenue from the fines that are prosecuted through the Department of Justice.
- The Recreation Facilities category relates to the community centre, sports complex and Hants Aquatic Centre. As the Hants Aquatic Center was closed, no revenues were anticipated this year.
- The Recreation category includes programs, community economic development and parks and grounds revenue received through grants.
- With regard to Recreation and Cultural Services, the Windsor Township line is an area rated item. It is related to the grant that is received by the Windsor Township and downtown beautification project for which we receive grant funding.
- Under Recreation and Cultural Services, programs being expensed include recreation grants, programming staff, summer programs, afterschool programs and programs such as pickleball.

Discussion Points

- With regard to the upcoming insurance RFP, are we big enough to consider self-insurance up to a certain point?
- There is an element of self-insurance as part of our deductible amounts and we have some discretion. Amounts vary depending on type of insurance. An example would be windshields.
- Cemeteries have to be accounted in their own fund. At year end, revenue is moved to cemeteries. Journal entries are based on

revenue collected and expenses. Done through “due to” entries at year-end.

- Director Rochon is currently working with Director of Public Works Todd Richard, to present a cost study on bi-monthly water billing to Council.

Director Rochon revisited AR, as it was brought up during the audit discussion. The Financial Services team is strategizing to develop a policy that will allow the Municipality to issue interest on outstanding general receivables, which is not currently done. They are also looking at issuing reminders on outstanding general receivables and issuing three tax reminders throughout the year. This would be contingent on budget approval. Utility (water and sewer) bills and reminders are issued on a quarterly basis and associated receivables are showing improvement.

Director Rochon introduced a motion relating to fire hydrants, presented at the last Audit Committee meeting and included in the information report. Director Rochon advised that Council will receive the information report as backup to the motion.

CITIZEN MEMBER DAVIS AND COUNCILLOR SHERMAN MOVED THAT COUNCIL APPROVES THE USE OF MUNICIPALITY OF WEST HANTS 2019-20 OPERATING SURPLUS TO FUND INVOICE 7719 LESS APPLICABLE CREDITS.

Motion carried.

7. Date of Next Meeting

Tentative for the end of July

8. Adjournment

Mayor Zebian called for a motion to adjourn

MOVED BY COUNCILOR SHERMAN AND COUNCILOR M. MCLEAN THAT THE MEETING BE ADJOURNED.

Motion Carried.

Meeting adjourned at 6:42 pm

X

Committee Chair