



West Hants
something inspiring awaits

**WEST HANTS REGIONAL MUNICIPALITY
Audit Committee – Meeting Agenda
June 6, 2022, 6:00 p.m.
Council Chambers, 76 Morison Drive & via Zoom & 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 2, 2022 Minutes, including additions or deletions
6. New Business
 - (a.) West Hants Regional Municipality Audit Plan – Auditor Andy Forse, Kent & Duffett
 - (b.) Information Report – Financial Update- Month ending March 31, 2022 – Financial Services Director Carlee Rochon
7. In Camera
8. Date of Next Meeting
9. Adjournment



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Present :	Abraham Zebian	Mayor / Committee Chair
	Ed Sherman	Councillor, District 7
	Jeff Hartt	Councillor, District 4
	Jane Davis	Resident Member
	Kathryn Duffy	Resident Member
	Andy Forse	Auditor, Kent & Duffett
	Carlee Rochon	Director of Financial Services
	Diana Gibson	Manager of Accounting and Financial Reporting
	Mark Phillips	Chief Administrative Officer (CAO)
	Carmen Dewar-Miller	Administrative Assistant

1. Call to Order – Mayor Zebian called the meeting to order at 6:00 pm
2. Declaration(s) of Conflict of Interest – No declarations
3. Announcements – Mayor Zebian acknowledged that West Hants Regional Municipality recognizes that we are in Mi'kma'ki, the unceded ancestral territory of the Mi'kmaq people
4. Approval of Agenda, including additions or deletions
Mayor Zebian asked for a motion to approve the agenda.
MOVED by Councillors Sherman and Hartt that the agenda be approved.
Motion Carried.
5. Approval of February 2, 2022 Minutes, including additions or deletions
Mayor Zebian asked for a motion to approve the minutes.
MOVED by Councillors Sherman and Hartt that the minutes be approved.
Motion Carried.
6. New Business
 - (a.) West Hants Regional Municipality Audit Plan was presented by Auditor Andy Forse, Kent & Duffett

The audit process started with testing and planning in March and April, 2022. There are three audit agenda items for this preliminary meeting, as follows:

- Annually the auditors must attest to their independence. Director Rochon was provided with a one-page letter stating that Kent & Duffett deem themselves to be independent.
- The auditors are required to send an annual engagement letter to Director Rochon. Committee members should review this standard letter periodically. Questions can be forwarded to the auditors and responses addressed to the committee as a whole.
- A review of the Audit Plan. This provides committee members a sense of what the auditing firm does. Auditors do not do 100% verification. They take a risk-based approach. A qualitative concept of materiality is employed and testing is designed accordingly. The magnitude of error or omission is measured.

Auditors look for evidence to provide an opinion that financial statements are free from material misstatement. There are certain areas more likely to be misstated. There are two types of misstatements; intentional (fraudulent or misappropriation of assets); and fraud (intentional manipulation of financial statements). Advanced testing is done in the area of misappropriation. Expenditures and management override are high-risk areas to be tested, with zero instances historically of control issues. Net assets and capital assets are tested.

There is emphasis on, and testing of internal controls. Historically, zero instances of fraud, misappropriation, expenditure control issues. The auditors continue to be satisfied with the design of the Region's internal controls (gold standard).

Issues that cannot be resolved at staff level will be raised to the Audit Committee before the audit is concluded.

The compiled evidence forms the conclusion. The auditors provide a two-page audit letter summarizing their unqualified opinion of the evidence. It is rare for a municipal unit's letter to contain a qualification.

The audit start date was March 2022 (planning). Mr. Forse and staff are hoping to arrive on site the second week of July for the better part of that month. The target is to have drafts for Council by the end of August. It could be sooner or later by a couple of weeks depending on staffing levels.

Mr. Forse requested that committee members review and provide answers to the two questions posed on page six of the audit planning letter. Answers must



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be submitted to the auditors, in writing if possible, between now and the conclusion of the audit. There were no questions and Mr. Forse left the meeting.

7. Information Report – Financial Update- Month ending March 31, 2022 was presented by Financial Services Director Carlee Rochon

Discussion Points:

- A significant portion of the reported projected surplus of \$2.4 million was the result of higher than forecast deed transfer tax and equalization payments. If these items were removed, budget would be almost spot on.
- The amount of this projected surplus may change once year-end has been finalized.
- The budget was approved on June 3. The next financial report presented to this committee will include updated budget figures (June 30th report).

8. In Camera – No In Camera

9. Date of Next Meeting – tentative for September, 2022

10. Adjournment

Mayor Zebian called for a motion to adjourn.

MOVED by Councillors Sherman and Hartt that the meeting be adjourned.

Motion Carried.

Meeting adjourned at 6:40 p.m.

X

Committee chair