



West Hants
something inspiring awaits

**WEST HANTS REGIONAL MUNICIPALITY
Audit Committee – Meeting Agenda - **AMENDED**
February 19, 2025, 6:00 p.m.
Council Chambers, 76 Morison Drive**

1. Call to Order
2. Declaration(s) of Conflict of Interest
3. Approval of Agenda, including additions or deletions
4. Announcements
5. New Business
 - a.) Recommendation Report – Water Operational Audit
- 6. Director's Update**
7. Presentation
 - a.) Policy and Internal Controls – Diana Gibson, Manager of Accounting and Financial Reporting
8. Correspondence
9. Public Participation
10. Date of Next Meeting – May 2025
11. Adjournment



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**WEST HANTS REGIONAL MUNICIPALITY
Audit Committee – Meeting Minutes
February 19, 2025, 6:00 p.m.
Council Chambers, 76 Morison Drive**

Present :

Abraham Zebian	Mayor
Rupert Jannasch	Councillor, District 1
Paul Wheadon	Councillor, District 4
Meagan Halverson	Resident Member
Carlee Rochon	Director of Financial Services
Mark Phillips	Chief Administrative Officer (CAO)
Diana Gibson	Manager of Accounting and Financial Reporting
Carmen Dewar-Miller	Admin Assistant, Financial Services

1. Call to Order – Mayor Zebian called the meeting to order at 6:05 p.m.
2. Declaration(s) of Conflict of Interest – No conflicts
3. Approval of Agenda, including additions or deletions
**It was moved by Councillors Jannasch and Wheadon that the agenda be approved.
Motion Carried**
4. Announcements – Mayor Zebian acknowledged we are in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq People and this land is governed by the treaties of Peace and Friendship signed in 1726. West Hants Regional Municipality also recognizes that we are all treaty people and have responsibilities to this land and each other. West Hants Regional Municipality also recognizes African Nova Scotians are a distinct people whose history, legacies, and contributions have enriched that part of Mi'kma'ki known as Nova Scotia for over 400 years.
5. New Business
 - a.) Recommendation Report – Water Operational Audit
Director Rochon presented this report, which recommends to the Audit Committee that the 2022-23 Water Operational Audit RFP be awarded to MNP, in the amount of \$80,950 or \$73,710 (plus applicable taxes).

This RFP was posted on November 12, 2024. The submission deadline, originally scheduled for December 12, 2024, was extended to January 8, 2025. At closing, one proposal, from MNP, was received. After a subsequent meeting with MNP to discuss testing and the utilization of municipal staff resources, the municipality requested updated methodology and quote information (with and without the staff resource requirement).

Next steps were discussed, which would involve the committee recommending to Council to move forward, Council approval of the RFP award, and reaching out to arrange a kick-off meeting with MNP.

Regarding the additional audit work required, there was a great collaborative discussion with MNP. Additional work included the inclusion of the Public Works part of the reading process and additional staff interviews. Addressed were areas where we would require testing and some level of assurance, or acknowledgement of accuracy and consistency. Capacity, areas of development and futureproofing, supported by existing documentation will be additional areas of focus.

Regarding timeline, MNP will aim for early spring and as long as we're not pushing them, they can get it done by our deadline. The audit will probably take a couple of months, with budget, year-end reporting for the province and our fiscal year-end audit taking priority for staff.

It was noted that Council is looking for a financial component as part of this audit.

Director Rochon replied that the RFP did highlight internal process and controls which include the meter reading process, customer billing process, water customer account adjustments as well as general ledger account adjustments. She reminded the committee that during a regular audit the auditors set a threshold, they don't review every transaction.

There is focus on answering Council's questions concerning the credit, the general ledger adjustments (accruals and voids), the meter reading process and compliance with the UARB handbook and Rules and Regulations.

Director Rochon noted that this RFP is not a budgeted item, it is a utility item. Within the upcoming 2025-26 budget, it will be part of the operating expense line under auditing.

**Moved by Councillors Jannasch and Wheadon that the Audit Committee recommends that Council approves the award of Request for Proposal WHRMFS24-01 – 2022-23 Water Operational Audit to MNP for (\$80,950 or \$73,710) plus applicable taxes.
Motion Carried.**

6. Director's Update (AMENDED to the agenda at the meeting)

Director Rochon wanted to advise the committee that we have been notified by our financial system provider that they are life-cycling out our current financial system. The last payroll update will occur in 2029 and the last security update will be in 2031. We have to be out of this product by the 2029 deadline so that we can continue to process payroll. Financial Services and IT staff have started looking at other products and are working on a timeline to present to Council as part of the upcoming budget.

7. Presentation

a.) Policy and Internal Controls – Diana Gibson, Manager of Accounting and Financial Reporting

Manager Gibson began with the municipal policies that affect the Financial Services Department (financial statements, decision-making). The policies have been broken into three categories, which Manager Gibson reviewed with the committee:

- Policies Impacting Decisions and Procedures
 - Expense Policy
 - Hospitality Policy
 - Investment Policy
 - Procurement Policy
 - Reserve Policy (this policy may be updated in the near future)
- Policies Impacting Revenue
 - General Services
 - Accounts Receivable Policy
 - Acceptance of Donations Policy
 - Fees Policy
 - Water
 - Utility Assistance Rebate Policy
 - Taxes
 - Residential Tax Assistance Policy
 - Tax Collection Policy
 - Tax Exemption Policy
 - Areas Rates
 - Area Rates Policy
 - Other
 - Disposal Surplus Read Property
 - Disposal of Surplus Goods and Material Policy
- Policies Impacting Expenses
 - Acquisition of Real Property Policy
 - Council Remuneration Policy
 - Grants and Contributions Policy
 - Property Assessed Clean Energy (PACE) Policy
 - Regional High School Bursary Policy
 - Home Flood Protection Pilot Program Policy

With no questions regarding the policies, Manager Gibson moved on to financial processes and information. She reviewed the following:

- Financial Services' organizational chart
- Accounting process
- Banking
- Policy development
- Auditing requirement
- Procurement (signing authority, process)
- Purchase order approval
- Invoice payment

There was a general question as to where or how Artificial Intelligence (AI) might affect all of these policies and procedures and how we manage them?

Director Rochon responded that before the municipality would consider implementing AI, there would be a risk analysis performed, and policy created to govern its use. She has taken a few courses related to the risk analysis aspect. Information shared with AI platforms becomes their property. There are AI platforms that are more closed loop. AI is coming, but not before a policy is established.

It was noted that it would be wise to start having a conversation at the Council table as to how the municipality approaches and manages AI.

8. Correspondence – No correspondence
9. Public Participation – No public participation
10. Date of Next Meeting – tentative for May 2025
11. Adjournment – Mayor Zebian called for a motion to adjourn
**It was moved by Councillors Jannasch and Wheadon that the meeting be adjourned.
Motion Carried.**

The meeting was adjourned at 6:50 p.m.

X

Committee Chair