



**THE MUNICIPALITY OF THE DISTRICT OF SHELBURNE
FINANCE DEPARTMENT**

136 Hammond Street, PO Box 280 Shelburne, NS B0T 1W0

Phone: (902) 875-3544 – Fax: (902) 875-1278

www.municipalityofshelburne.ca

Municipality of the District of Shelburne
**AUDIT AND INTERNAL CONTROL COMMITTEE MEETING
MINUTES**

Tuesday, January 18, 2022

10:00 am

A meeting of the Audit and Internal Control Committee was held on Tuesday, January 18, 2022, via Microsoft Teams.

Present:

Larry Pelletier, Chairperson (Public Member)

Sandy Hood, Vice Chair (Public Member)

Trudy Payne, CAO

Michelle Williams, Director of Finance

Marilynn Hay, Municipal Advisor, Government of NS

Rebecca Doucette, Municipal Affairs and Housing

Councillor Ron Coole

Councillor Sherry Thorburn Irvine

Michelle Mitchell, Finance Clerk

Bongsun Cho-MacDonald, Municipal Affairs
and Housing

Scott Houlihan, Municipal Affairs and Housing

Gloria Banks, CPA, CA, Grant Thornton LLP

1. Call to Order

The meeting was called to order at 10:03 am by Chairperson, Larry Pelletier.

2. Amendments/Approval of Agenda

Being duly moved and seconded, be it resolved that the Agenda of January 18, 2022, be approved as circulated.

3. Approval of Minutes

Being duly moved and seconded, be it resolved that the Minutes of November 16, 2021, be approved with the following amendment:

Item 3. Update on Council Approved Minutes – September 22, 2021

Should say: 1. After the September 22 presentation regarding the proposed Wind Turbine Farm in Sandy Point, there was a request made to Council to revoke the letter of support, which was not approved by Council at the October 20, 2021, Council meeting and the letter of support still stands.

4. Business Arising

There was no business arising.



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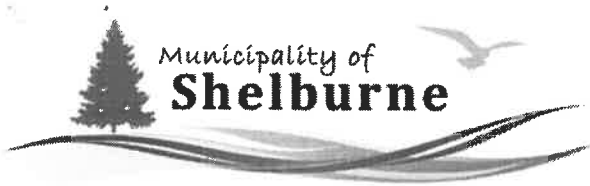
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5. Terms of Reference Presentation – Marilyn Hays

Marilyn Hays and her team, Rebecca Doucette, Bongsun Cho-MacDonald, and Scott Houlihan attend the Audit and Internal Control Meeting to provide a presentation on the committee's Terms of Reference.

Rebecca Doucette presented the committee with a power point presentation providing the following answers to these previously submitted questions:

1. Should the RFP be reviewed by the committee?
 - Yes, the Audit and Internal Control Committee is responsible for recommending an external auditor to council and the RFP should be reviewed by the Audit and Internal Control Committee.
 - i. Trudy Payne, CAO asked for clarification on if the committee should be reviewing all RFP's – not just one's that pertain to the external auditor or financials – Ms. Doucette confirmed that in her opinion, having the committee review all RFP's is not necessary.
2. This committee reviews policies & activities (i.e., Recreation, sewage treatment) for potential liability and outlay. Is this within the purview?
 - Yes, the Financial Reporting and Accounting Manual (FRAM) states in Section 5(3)(a)(ii): "An audit committee acts as an advisory board carrying out the critical review functions on behalf of council/commission. The primary function of the audit committee is to assist council or village commission in fulfilling their oversight responsibilities related to quality and integrity of financial reporting along with ensuring the appropriate systems and controls for the proper recording of transaction and protection of assets are in place."
 - i. Trudy Payne, CAO asked for clarification on if the committee is responsible for reviewing all policies and procedures in all departments or just the ones that pertain to financials – Ms. Doucette said in her opinion the Audit committee should not be reviewing all the policies and procedures, only those which relate to financials risk.
3. Should all Municipal committee reports be public?
 - Yes, the *Municipal Government Act* Section 22 "requires meetings of council and meetings of committees appointed by council be open to the public (with a limited number of exceptions.)"



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- FRAM Section 5(3)(a)(v) requires the audit committee to “...maintain minutes of its meetings and submit written reports to council or council as committee of the whole ...”
- 4. If there is a clear risk and management or council ignores it, is there any liability on committee members?
 - Per FRAM Section 5(3)(e)(iv) “the audit committee has responsibilities related to risk management.” The committee is responsible to do all it can within its own sphere of influence and can discuss risks with the external auditor as well as articulate the risks and recommendations by providing a report to council.
 - i. Trudy Payne, CAO asked for clarification on this as to whether there is any legal liability to the committee if all these requirements are followed. Rebecca Doucette commented back stating that she cannot comment as to whether there would be any legal liability and recommended the Municipality reach out to our solicitor if we have any concern.
- 5. Module 1 says the committee has unrestricted access to financial information. What does this mean?
 - Per FRAM Section 5(3)(a)(iv): “The audit committee should have unrestricted and complete authority to delve into any affair of the municipality, or village commission, with full access to the management and auditor.”
- 6. Can council direct the committee to look at a particular risk or financial concern?
 - Although the audit committee can take responsibility for reviewing guidelines, processes and policies that are in place by management, council should take care of this to avoid an overburden for the audit committee. There can be subcommittees formed that report to the audit committee.

Gloria Banks joined the meeting at 10:58 am.

Marilyn Hays, Rebecca Doucette, Bongsun Cho-MacDonald, and Scott Houlihan left the meeting at 11:01 am.

6. Auditors Plan – Grant Thornton

Gloria Banks, CPA, CA, Grant Thornton LLP, presented the Audit and Internal Control Meeting Committee with their Auditor’s Plan, noting that there were no findings within the audit that raised any concern.

Councillor Ron Coole left the meeting at 11:19 am.

Gloria Banks left the meeting at 11:32 am.



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7. Update on Council Approved Minutes for October 27, 2021 – November 24, 2021

Trudy Payne, CAO, reviewed the Council Minutes from the October 27 – November 24, 2021, meetings.

Larry Pelletier asked for an update on the OHAS policy as to if Council is planning to have this completed before moving into the new building. Trudy Payne, CAO mentioned that she is waiting to hear back from an outside consultant with a quote for budgetary purposes, and once that is received, she is then to take it back to Council and then will decide on how they would like to proceed with the OHAS manual. She noted that she has not received any push back that there is not the recognition that it shouldn't be done, they are just waiting for direction on how they want to proceed.

8. Implementation Report – CAO

Trudy Payne, CAO reviewed the topics of the Implementation Report in detail, and it was decided that the following items are now can be removed from the implementation report:

1. PSAB
2. COVID-19
3. Terms of Reference

The following items to be added:

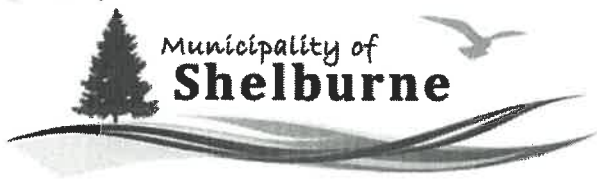
1. Trudy Payne, CAO to reach out to Stephen Kinner from Manulife regarding the Municipal Clerk Pension accrual
2. Trudy Payne, CAO to reach out to our solicitor regarding where the legal liability of the Audit and Internal Control Committee stands.

9. Year to Date Audit and Internal Control Report to Council – CAO

Trudy Payne, CAO, reviewed the Year-to-Date Audit and Internal Control Report, this will be presented at council by a Councillor on the committee.

10. Reporting Motions to Council – Larry Pelletier

There are no Reporting Motions to Council.



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11. Next Meeting


The next meeting of the Audit and Internal Control Committee will be held on February 15, 2022, to include the following topics:

1. Review the Municipality of the District of Shelburne's & other Municipal Units Fire Services Policies
2. Wind Turbine Analysis
3. Financial Update
4. AIMS to present to Council


12. Adjournment

There being no further business, the meeting adjourned at 12:13 pm.

Michelle Mitchell, Finance Clerk
Recording Secretary



Michelle Williams, Director of Finance



Larry Pelletier, Chairperson