

**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**

Wednesday, January 18, 2023

10:00 AM

A meeting of the Audit and Internal Control Committee was held on Wednesday, January 18, 2023.

Present:

Larry Pelletier, Chairperson (Public Member)

Sandy Hood, Vice Chair (Public Member)

Erin Hartley, Deputy CAO

Michelle Williams, Director of Finance

Marcia d'Eon, Director of Operations and Protective Services

Michelle Mitchell, Recording Secretary

Councilor Dale Richardson (via teams)

Councilor Sherry Thorburn-Irvine

Kelsey Murphy, Grant Thornton (via teams)

Gloria Banks, Grant Thornton (via teams)

Regrets:

Warren MacLeod, CAO

Adam Dedrick, Director of Parks and Recreation

Valeria Kean, Director of Economic and Community Development

Councilor Ron Coole

1. Call to Order

The meeting was called to order at 9:59 am by Chairperson, Larry Pelletier.

2. Amendments/Approval of Agenda

Being duly moved and seconded, be it resolved that the agenda of January 18, 2023, be approved as circulated.

3. Approval of Minutes

Being duly moved and seconded, be it resolved that the minutes of November 15, 2022, be approved with the following amendment:

1. Discussion on Trails from Recreation Department:

Larry Pelletier expressed his appreciation to Adam Dedrick, Directors of Parks and Recreation, and Darrell Locke, By-Law Officer, as well as all others involved for their due diligence and having a policy in place, as others do not.

4. Business Arising

Larry Pelletier asked if there has been any update on the insurance for the trail that the Municipality submitted. Erin Hartley, Deputy CAO, responded that the information has been submitted, but we have yet to hear anything back.

5. Auditors Plan March 31, 2023 – Kelsey Murphy and Gloria Banks, Grant Thornton

Kelsey Murphy, CPA, CA, and 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.

6. Presentation on Internal Audit Options – Kelsey Murphy and Gloria Banks, Grant Thornton

Kelsey Murphy, CPA, CA, and Gloria Banks, CPA, GA, Grant Thornton LLP, provided an update on the possibility of internal audit options. Ms. Murphy stated that regarding the segregation of duties, an internal audit function would not necessarily correct this item on the management letter, but instead Grant Thornton stated the Municipality would have to hire someone else within the department who has the qualifications for fund accounting and public sector entries. Ms. Murphy stated that for now, they have put a pause on the internal audit options recommendation and will provide recommendations on the final management letter once the March 31, 2023 audit is complete. Ms. Banks informed the committee that even if they pursue an internal audit option, it will be okay for internal purposes only, but will not satisfy the comment on the management letter.

Kelsey and Gloria left the meeting at 10:54am.

7. Budget Process – Warren MacLeod, CAO

In the absence of CAO, Warren MacLeod, Erin Hartley, Deputy CAO informed the committee that it is not the committee's role to give direct input into the budget, but as an oversight on the budget. Ms. Hartley noted that the public members could attend public Council meetings, however, at those meetings, it is for informational purposes only, and public members are not allowed to speak on information at the public meetings. Ms. Hartley stated that if the public members of the Audit and Internal Control Committee wanted to have direct input on the budget, they would have to put in a motion to Council, and the Terms of Reference would have to be updated.

8. Future A&C Meetings, April/July/October/January – Warren MacLeod, CAO

In the absence of CAO, Warren MacLeod, Erin Hartley, Deputy CAO discussed with the committee for the option to hold meetings quarterly rather than monthly, proposed dates are April, July, October, and January, with the exception that other meetings could be called if there is a need for it.

The committee agrees to change the meetings to be held quarterly, and Ms. Hartley is to update the Terms of Reference to reflect this change.

9. Update on Council Approved Minutes for October 26, 2022 – November 23, 2022 – Warren MacLeod, CAO

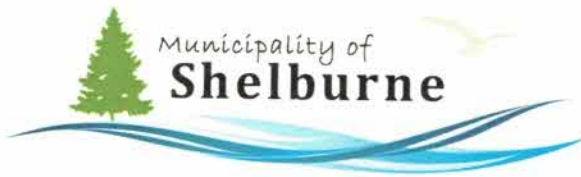
There were no comments or questions for the Council approved minutes for October 26, 2022 – November 23, 2022.

10. Implementation Report – Warren MacLeod, CAO

In the absence of Warren MacLeod, CAO, Erin Hartley, Deputy CAO, reviewed the Implementation Report.

Marcia d'Eon provided the following updates on the projects she has been assigned to since starting with the Municipality in November 2022:

- Sewer Services Analysis –
 - Bio Solids Remediation: Currently 99% complete, the sludge has been removed, and within the next couple of weeks there is a plan to put up a small amount of fencing.
 - Full Break Down: This is not complete yet, but Ms. d'Eon plans to work with Dan Vincent, Public Works Operator in the near future as this requires a more in-depth analysis.
 - Net zero cost: Mr. Vincent has a concern on the rates and wants to see the water number usage from the Town of Shelburne. Ms. d'Eon and Mr. Vincent are looking at the 2023/24 budget to be able to look at the mechanical and safety list. The pump purchase was complete in the 2022/23 budget.
- Fire Project – Ms. d'Eon has met with the Fire Advisory Committee and there has been a motion from the Fire committee to pursue hiring someone to do a review, this motion is to go to the next Council meeting.



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- Safety Policy – Ms. d’Eon is scheduled to meet with Andrew Amos on a bi-weekly basis starting on January 25, 2023, before they new building keys are turned over. As part of our contract, there will be a fire safety/evacuation plan provided to us for the new building. Ms. d’Eon is also in the research stage for a safety plan.
- Fraud Policy & Risk Assessment – This has been marked as a low priority by Ms. d’Eon, awareness and acknowledgement has been made by Ms. d’Eon, but there is no update as of now.
- Asset Management – This is currently in the research stage, Ms. d’Eon has a meeting with AIMS scheduled, and will have more information after the meeting is complete.
- Tipping Collections –
 - There has been a basic audit complete of the flow of funds.
 - Currently in the process of new scale training.
 - This item has now been put on hold until the new scale process has been put in place.

Michelle Williams provided the following update on ARO:

- A draft plan has been received, and the auditors currently have it. Michelle Williams will be brought in once it has been reviewed by the auditors.

11. Year to Date Audit and Internal Control Report to Council – Warren MacLeod, CAO

In the absence of Warren MacLeod, CAO, Erin Hartley, Deputy CAO reviewed the Year-to-Date Audit and Internal Control Report, this will be presented at council by a Councilor on the committee.

12. Reporting Motions to Council – Larry Pelletier

There are no reporting motions to Council.

13. Next Meeting

The next meeting of the Audit and Internal Control Committee is tentatively scheduled to be held in April 2023 and include the following topic:

1. January 2023 Financial Update

14. Adjournment

There being no further business, the meeting adjourned at 12:02 pm.



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Michelle Mitchell, Finance Clerk
Recording Secretary

A handwritten signature in blue ink that reads "Michelle Williams".

Michelle Williams, Director of Finance

A handwritten signature in black ink that reads "Ron Coole".

Ron Coole, Chairperson