THE MUNICIPALITY OF THE DISTRICT OF SHELBURNE
FINANCE DEPARTMENT
414 Woodlawn Drive, PO Box 280 Shelburne, Nova Scotia B0T 1W0
Phone: (902) 875-3544 – Fax: (902) 875-1278
www.municipalityofshelburne.ca

Municipality of the District of Shelburne
AUDIT COMMITTEE MEETING
November 24, 2026
3:30 p.m.

AGENDA

1. Call to Order
2. Election of Officers – Chair and Vice Chair – Erin Hartley, Deputy CAO
3. Amendments/Approval of Agenda (pg. 1)
4. Approval of Minutes – June 23, 2026 (pgs. 2-4)
5. Review of Terms and Reference – Erin Hartley, Deputy CAO (pgs. 5-8)
    a. Member Confirmation of Audit Committee Training
    b. Role of Alternate Council Member
6. Business Arising
7. Credit Card Policy – Michelle Williams, DOF (pgs. 9-12)
8. Borrowing Resolution – Michelle Williams, DOF
9. Year to Date Audit Committee Report to Council – Chair (pg. 13)
10. Reporting Motions to Council – Chair (pg. 14)
11. Next Meeting – January 13, 2027
12. Adjournment

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Municipality of the District of Shelburne

AUDIT COMMITTEE MEETING

MINUTES

Tuesday, June 23, 2026

1:30 pm

A meeting of the Audit Committee was held on Thursday, June 23, 2026.

Present:

Warden Penny Smith, Chairperson
Councilor Dale Richardson, Vice-Chairperson
Erin Hartley, Deputy CAO
Michelle Williams, Director of Finance
Michelle Mitchell, Finance Clerk
Gloria Banks, CPA, CA
Doane Grant Thornton (via teams)
Jasmine Thibodeau,
Doane Grant Thornton (via teams)

Regrets:
Warren MacLeod, CAO
Councilor Ron Coole

1. Call to Order

The meeting was called to order at 1:30pm by Chairperson, Penny Smith

Due to recent Committees of Council membership changes, Chairperson Waden Smith will now be an alternate on this committee. Since both regular members are not in attendance today, Warden Penny Smith will continue to act as Chairperson for this meeting. Election of Officers will be held at the next scheduled meeting.

2. Amendments/Approval of Agenda

Being duly moved and seconded, be it resolved that the Agenda of June 23, 2026, be approved as circulated.

3. Approval of Minutes

Being duly moved and seconded, be it resolved that the Minutes of January 14, 2026, be approved as circulated.

4. Business Arising

There is no business arising.

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5. Review of 2025/2026 Audit – Gloria Banks & Jasmine Thibodeau, Grant Thornton

Gloria Banks, CPA, CA, and Jasmine Thibodeau, Grant Thornton LLP, presented the Audit Committee with a draft of the Municipality's Financial Statements for the 2025/2026 fiscal, the 2025/2026 Audit Report - results from the Audit, and the Management and Internal Control letters. Ms. Banks will also present at the Council meeting scheduled for July 8, 2026.

The following questions were asked, and answers and/or discussion were had:

1. It was asked why the Health Care Reserve was not listed, with the answer being that it is subcategory within the Operating Reserve, and so the amount is included in the Main Operating Reserve.
2. It was asked where the numbers come from for the Councillor's expenses, with the answer being that it is all expenses for each Councillor, including items like phones, courses, etc., not just the expense forms they submit monthly.
3. It was asked if the Staff Vacation Liability was the ~$14,000, but it was confirmed that that number is the Sick Leave Liability, and that the Staff Vacation Liability is ~$93,000 and is included in a different category on the Financial Statements.
4. It was asked if the Tax Sale Surplus amounts for the 20 years are already included in the financial model, with the answer being no, that we must wait until that year to reflect proper numbers. A follow up question was asked if we earn interest on this surplus, with the answer being yes, but the interest is reflected in the main operating account.
5. It was asked where we stand with the $96,500 with the PowerBank Corporation project contract, with the answer being that the CAO has not heard anymore information regarding if the project was the successful bid.

Gloria Banks and Jasmine Thibodeau left the meeting at 2:52 pm.

6. FCI 2023/2024 – Michelle Williams, Director of Finance

Michelle Williams, Director of Finance reviewed the 2023/2024 FCI.

7. Review of the 2025/2026 Council & Hospitality Expense Reports Including Respected Policies – Michelle Williams, Director of Finance

Michelle Williams, Director of Finance reviewed the 2025/2026 Council & Hospitality Expense Reports including the respected policies.

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8. Financial Update – July 2026 – Michelle Williams, Director of Finance

Director of Finance, Michelle Williams noted the management team is currently working on the July 2026 financial update and it will be presented at the July 8, 2026, Council Meeting.

9. Year to Date Audit Committee Report to Council – Warden Penny Smith, Chairperson

The members of the Audit Committee reviewed the Year-to-Date Audit Committee Report; this will be presented at council by Warden Penny Smith.

10. Reporting Motions to Council – Warden Penny Smith, Chair

Being duly moved and seconded, The Audit Committee recommends the following two motions:

1. Recommends that the Council of the Municipality of the District of Shelburne adopt the financial statements as presented for the 2025/2026 fiscal year.
2. Recommends that the Council of the Municipality of the District of Shelburne transfer the surplus of $987,516.99 for the 2025/2026 fiscal year to the Operating Reserve Fund.

11. Next Meeting

The next meeting of the Audit Committee is to be determined for January 2027.

12. Adjournment

There being no further business, the meeting was adjourned at 3:02 pm.

Michelle Mitchell, Finance Clerk
Recording Secretary

_____
Michelle Williams, Director of Finance

_____
Chairperson

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Municipality of the District of Shelburne
AUDIT COMMITTEE

Terms of Reference

1. Purpose

The purpose of the Audit Committee is to act as an advisory board carrying out critical review functions on behalf of Council. The function of the audit committee is to assist Council in fulfilling their oversight responsibilities related to quality and integrity of financial reporting.

2. Authority

Council and Committee gains its responsibility and authority under Sections 44 of the *Municipal Government Act*.

3. Duties and Responsibilities

1. The duties and responsibilities of the Audit Committee are to:
   a) carry out a detailed review of the financial statements of the Municipality with the auditor;
   b) receive information regarding the evaluation of internal control systems and any management letter with the auditor;
   c) carry out a review of the conduct and adequacy of the audit;
   d) make recommendations to Council to carry out such matters arising out of the audit as may appear to the audit committee to require investigation;
   e) carry out such other matters as may be determined by Council to be the duties of an audit committee;
   f) make recommendations to Council regarding the acceptance of the yearly audit;
   g) advise on any other matters as may be determined by Council from time to time.

2. The Audit Committee is committed to effective decision making and once a decision has been made, speaking with one voice. Towards this end, committee members will:
   a) refrain from "lobbying" outside of committee meetings that might have the effect of limiting free and open discussion;
   b) on important issues, encourage consensus decisions as well as ones that strive for collaborative rather than compromise solutions;
   c) once made, support majority decisions, even if one's view is a minority one;
   d) respect the confidentiality of information on sensitive issues;
   e) refrain from speaking for the committee unless authorized to do so by motion of the committee;
   f) disclose one's involvement with other organizations, businesses or individuals where such a relationship might be viewed as a conflict of interest;
   g) not act or speak on behalf of the Municipality.
   h) adhere to the Municipality's Code of Conduct.

4. Committee Composition

1. Membership on the Audit Committee shall include two elected representatives and an alternate from the Municipality of the District of Shelburne and one member of the public, duly appointed by Council annually pursuant to Section 44(1) of the *Municipal Government Act*. Members of the public appointed to this committee should have strong financial backgrounds and be able to comprehend complex financial and regulatory processes.

2. The Director of Finance shall act as the staff resource for the Audit Committee. The Finance Clerk shall act as the recording secretary for the Audit Committee.

3. Member applications shall be vetted by the CAO and member appointment will be by Council motion. Members of the public can not be related to a member of Council or to an employee of the Municipality.

4. At the end of each two (2) year term a Committee member may express their interest in continuing as a member or resign as a member.

5. Where a vacancy occurs on the Committee, the Council shall appoint a person to fill the position as soon as possible; that person shall hold office for the remainder of the term of the member in whose place that person is appointed.

6. Where there is a member of the public vacancy the Committee shall continue to meet and perform its duties and may exercise its powers; and the municipality shall advertise to recruit a new community member at least once every six months until the position is filled.

7. Each member will serve without remuneration but shall be reimbursed for such expenses as are necessarily incurred by such member in the discharge of the member's duties, with prior approval from the CAO.

8. Each member must complete training as prescribed by the Department of Municipal Affairs on their own time and provide proof of training to the staff resource.

9. The Audit Committee shall elect a Chairperson and Vice Chairperson annually from among its members.
   a) The Chairperson is accountable to Council for their performance.
   b) The Chairperson has no formal authority to direct the Committee, unless specifically authorized by Council by resolution.
   c) Primary duties of the Chairperson include:

i. Chairing all meetings of the Committee;
ii. Enforcing rules as they apply to the Committee and its individual members;
iii. Disciplining members of the Committee in consultation with the CAO;
iv. Ensuring full and timely communication with members of the Committee;
v. Ensuring effectiveness of the Committee;
vi. When any person uses profanity and/or obscene language or unbecoming behaviour, that person shall be advised by the Chair that they are out of order and asked to apologize. If no apology is forthcoming then the person shall be asked to leave the meeting immediately. If the person fails to leave the meeting then the Chair shall adjourn the meeting until the matter has been resolved. If necessary the Chair will ask the CAO or staff resource to contact the RCMP to address the matter.

d) Unless otherwise indicated, the Chair may be removed by a resolution of the Committee or by resolution of Council for which advance notification has been given to all members, duly moved and seconded, and passed by majority of members present at a regular or special meeting of the Committee or Council.
e) The Vice Chairperson shall act in the place of the Chairperson during absences, unavailability or conflicts on interest of the Chairperson.

10. Municipal Auditor's role is to conduct the yearly financial audit of the Municipality's accounts and funds in order to provide an independent opinion on the financial condition of the Municipality, including confirmation that the funds and accounts of the Municipality clearly represent the financial position of the Municipality on a given date. The Auditor will meet with the Committee at least twice annually to review the engagement and audit process, materiality limits, timetable and proposed fees at the outset, followed by a review of the draft financial statements, management letter and Financial Information Return after the audit.

11. The Audit Committee shall report directly to the Council of the Municipality of the District of Shelburne and indirectly to the Chief Administrative Officer for operational and administrative support.

12. The Audit Committee must maintain minutes of its meetings and submit written reports to Council.

13. All meetings of the Audit Committee are considered public, except those matters deemed to be private and confidential in nature and subject to Section 22 of the Municipal Government Act. Minutes and subsequent resolutions of such meetings shall be recorded and publicly available upon approval by the Committee. Information and

reports of the Committee shall be subject to normal Freedom of Information and Protection of Privacy (FOIPOP) regulations.

5. Meeting Requirements

1. Meetings of the Audit Committee shall be held whenever circumstances demand such a meeting, however the Committee must meet at least two times per fiscal year. The Committee will generally meet in January and July, during regular office hours. Additional meetings may be held, or the above meetings date and times changed, when prior notification is provided to Committee members;

2. No decisions may be made at any Audit Committee meeting without a quorum (at least two of the three voting members). All decisions of the Audit Committee shall be made by majority vote of committee members. Where a majority is not forthcoming, the vote shall be determined in the negative.

3. Agendas will be developed to address its terms of reference and responsibilities.

Approved by Council: June 28, 2023

Amended by Council: December 11, 2024

57.1. Purpose and scope

This policy establishes responsible, accountable and efficient use of municipal credit cards by authorized employees for legitimate municipal business. It supports compliance with approved budgets, Municipality of Shelburne Procurement Policy requirements and sound financial controls.

57.2. Authorization and spending limits

The Chief Administrative Officer (CAO) approves issuance of cards and limits, considering the duties of each position and operational needs. Cards are issued in the name of the Municipality and the designated individual.

Cardholders must obtain required purchasing approvals, confirm available budget allocations and comply with the municipality's procurement policy. A purchase must never be split into separate transactions to circumvent a transaction limit or delegated approval authority.

Before receiving a card, each cardholder must be aware of permitted uses, card security, online and telephone purchases, reconciliation and consequences of misuse, and sign the Cardholder Agreement (Appendix A).

57.3. Authorized use

Cards may be used only for approved, legitimate municipal expenses, including work-related travel, accommodations and meals; conferences, seminars, registrations and professional development; office supplies and equipment; and emergency or essential operational purchases. All purchases remain subject to budget, Municipality of Shelburne Procurement Policy and approval requirements.

Orders, reservations and registrations may be made online, by telephone or in person where the transaction is appropriately authorized and documented.

Director of Finance and Finance Clerk will have authorized inquiry access to the visa account to be able to discuss any issues with the credit card i.e. administration, billing.etc.

There are six Municipality of Shelburne cardholders, they are as follows: CAO, DCAO, Director of Recreation, Director of Operations, Director of Economic & Community Development and Administrator of Protective Services. If someone other than the cardholder or their department employees requires use of a credit card, a visa purchase request form must be filled out and signed by the cardholder. The DCAO or designate can approve the visa purchase request form in the absence of the CAO.

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57.4. Prohibited use

Cards must not be used for personal purchases, cash advances, cannabis, alcohol (with the exception of the specifications detailed in the Hospitality Policy) or purchases that fail required procurement approvals. Purchases outside legitimate authorized municipal business are prohibited.

57.5. Cardholder responsibilities

The cardholder alone may use the card and must protect the physical card, account number and related information. The cardholder must retain itemized invoices, receipts, other supporting records, and general ledger coding.

The cardholder must verify goods or services were received, review each monthly statement against receipts and transaction records, identify outstanding charges to carry forward, and submit a signed or otherwise certified reconciliation with supporting documents to Finance.

Itemized receipts (if one is not available, a written note must be provided by the cardholder) must accompany the complete reconciled monthly statement and be submitted in a timely manner to Finance.

57.6. Review, approval and payment

The CAO/DCAO or designate approves the reconciled statement for each of the cardholders. The Warden/Deputy Warden approves the CAO reconciled statement. Finance independently reviews coding and supporting documents, performs monthly reconciliation and audit checks, and arranges timely payment to avoid interest or finance charges.

Payment approval, accounting and reconciliation duties must be appropriately segregated. Municipal card charges are liabilities of the Municipality, subject to review and recovery processes for improper transactions.

57.7. Disputes, returns and credits

The cardholder must promptly report incorrect amounts, duplicate charges, unauthorized postings or other billing discrepancies to the card issuer and Finance. Problems concerning delivery, quality or quoted prices must be resolved directly with the supplier by the cardholder.

For returns, the cardholder must follow supplier return instructions and obtain a return confirmation where available. All refunds must be credited to the original municipal credit card; cash refunds are not permitted. Missing credits must be pursued with the supplier and tracked in the next reconciliation.

57.8. Lost or stolen cards and cancellation

A lost card, stolen card, suspicious or potentially fraudulent use of a card must be reported immediately to the issuing bank, CAO and Finance.

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Cards must be cancelled when no longer required, on reassignment to a role not approved for a card, on termination of employment, or following misuse or other direction from the CAO. Directors/Administrator(s) must immediately notify the CAO and Finance of required cancellations, particularly on termination. Finance confirms cancellation with the bank, and the card is returned to the designated municipal official for secure destruction.

57.9. Program administration and audits

The CAO oversees card authorization, limits, compliance and overall policy accountability. Finance maintains the master register of cards and limits and original cardholder agreements, monitors activity, ensures timely payments, supports cardholders, performs reconciliations and periodic or random audits, and maintains records for cost control.

All card transactions may be audited. Cardholders must provide documentation and explanations when requested. The Municipality may revoke card privileges for misuse. Fraud, misuse or misappropriation may result in disciplinary action, up to and including termination of employment. If the concern involves the CAO, it must be reported to the Warden/Deputy Warden, all other concerns would be reported to the CAO.

57.10. Policy implementation

Written arrangements with the issuing financial institution should document applicable fees, procedures and account contacts. This policy is to be read alongside the Municipality's procurement and expense policies.

THIS IS TO CERTIFY that the Council of the Municipality of the District of Shelburne duly passed the policy respecting Municipal Credit Cards on the 9th day of December, 2026.

SIGNED this _____ day of _____, 2026,

_____

Warden

_____

CAO

Approved by Council: December 9, 2026

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APPENDIX A – Cardholder Agreement

I, _____, acknowledge receipt of a municipal credit card number issued in my name for use on behalf of the Municipality of the District of Shelburne. I have received, read and understand the Municipal Credit Card Policy and agree to comply with it and related policies.

I will safeguard the card and account information, use the card only for authorized municipal business, keep supporting documentation, complete reconciliations and cooperate with audits. I understand that the Municipality is responsible to the issuing bank for charges made on the card.

I acknowledge it is still my responsibility to be accountable if my card is being used by one of my employees, or by another department after I sign the "Visa Purchase Request Form".

I understand that improper use may lead to revocation of card privileges and disciplinary action up to and including termination. Any recovery of improper charges or deductions from pay must comply with applicable law and municipal procedures. Should I fail to use the credit card properly, I authorize the Municipality to deduct from my salary or from any other amounts payable to me, an amount equal to the total of improper purchases. I also agree to allow the Municipality to collect any amounts owed by me even if the Municipality no longer employs me. If the Municipality is required to initiate legal proceedings to recover amounts owed by me under this agreement, I agree to pay legal fees incurred by the Municipality in such proceedings.

I agree to return the card immediately on request or when my employment or eligibility ends.

Cardholder/Employee printed name:

Credit Card Number:

Position:

Reason for card and anticipated types of purchases:

Credit Card Limit: $

Cardholder signature: Date:

CAO approval / signature: Date:

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Audit Committee Report to Council 2026/2027

Last Updated:
November 18, 2026

Meeting Date:	Discussion and Action Items
June 23, 2026	**Review of 2025/2026 Audit:** Presentation by Gloria Banks & Victoria Ells **FCI 2023/2024:** Presentation by Michelle Williams **Review of 2025/2026 Council & Hospitality Expense Reports Including Policies:** Presentation by Michelle Williams **Financial Update - July 2026:** Presented by Management Team at the July 8, 2026, Council Meeting **Year to Date Audit Committee Report to Council:** Presentation by Warden Penny Smith, Chair
November 24, 2026	**Election of Officers:** Lead by Erin Hartley **Review of Terms of Reference:** Presentation by Erin Hartley **Credit Card Policy:** Presentation by Michelle Williams **Borrowing Resolution:** Presentation by Michelle Williams **Year to Date Audit Committee Report to Council** Presentation by Chairperson

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Attention to: Warden and Council of the Municipality of the District of Shelburne

Date: November 24,2026

Being duly moved and seconded, The Audit Committee recommends the following motions:

1. Be it resolved that the Council of the Municipality of the District of Shelburne adopts the Credit Card Policy as presented.
2. Be it resolved that the Council of the Municipality of the District of Shelburne increase the visa card limit from $24,500 to $100,000 and reduce the Revolving Line of Credit from $2,791,500 to $2,716,000 in order to keep the approved borrowing from CIBC total remaining at $2,816,000.