

# **Municipality of the District of Lunenburg**

## **Minutes of a Meeting of the Audit Committee**

Held via Tele and Video Conference

**Tuesday, September 14, 2021 – 8:30 a.m.**

### **Attendance**

Councillor Pam Hubley, District 4, Chair  
Councillor Michelle Greek, District 7, Vice Chair  
Mayor Carolyn Bolivar-Getson  
Councillor Leitha Haysom, District 1  
Councillor Martin Bell, District 2  
Councillor Wendy Oickle, District 3  
Councillor Cathy Moore, District 5  
Councillor Sandra Statton, District 6  
Councillor Kacy DeLong, District 8 (arrived at 8:40 a.m.)  
Councillor Reid Whynot, District 9  
Councillor Chasidy Veinotte, District 10

### **Staff**

Tom MacEwan, Chief Administrative Officer  
Alex Dumaresq, Deputy Chief Administrative Officer  
Elana Wentzell, Director of Finance  
Angela Veinot, Accounting Manager  
Tina Robichaud-Bond, Acting Municipal Clerk  
Rachel Hiltz, Recording Secretary

### **1. Call to Order**

Councillor Hubley called the meeting to order at 8:30 a.m. and acknowledged that the meeting was held in Mi'kma'ki, the traditional territory of the Mi'kmaq people.

### **2. Approval of Minutes – July 15, 2021**

**Moved by Mayor Bolivar-Getson, seconded by Councillor Oickle that the Minutes of July 15, 2021, Audit Committee meeting be approved as circulated. Carried unanimously.**

### **3. Treasurer's Financial Statement Report**

Ms. Wentzell introduced Michael Belliveau and Michelle Laird of Belliveau Veinotte Inc.

Ms. Wentzell reviewed the report titled "Treasurer's Report" (circulated with Agenda). The following points were noted:

- The Consolidated Financial Statements have been audited by Belliveau Veinotte Inc.
- There is an annual surplus of \$5,418,613 with a budgeted surplus of \$101,284.

- The noted variances from budget to actual consist of interest relief due to COVID-19, a reduction in uncollectable accounts, and all the budgeted internet projects were not completed last fiscal year.
- The Municipality is in a strong financial position.

#### **4. Draft Audited Financial Statements Year End March 31, 2021**

Mr. Belliveau thanked the Finance Team for their help with getting the Audit completed. The Audit was completed efficiently. The following points were noted:

- MODL received a clean audit report this year.
- Note 18: Council expense reporting is required through the Municipal Financial Reporting and Accounting Manual (FRAM). There were no hospitality expenses noted this year or last year, but it is a reporting requirement.
- The consolidated statements follow the Public Sector Accounting Board (PSAB) rules. The Trust Fund follows Canadian Accounting Standards for Not-For-Profits. The Trust Fund holds some burial funds, school lands, and the Lunenburg County Community Fund which also had a clean report.

#### **5. Internal Control Letter**

Mr. Veinotte reviewed the “Internal Control Letter” (circulated with Agenda). The following points were noted:

- If staff identify any issues throughout the year, they will notify the Auditors and create processes to rectify those issues, so there is a proactive approach to internal controls.
- When MODL switched banks, a new US bank account was set up. A protocol for processing all payments, including US payments, was created. US payments will be credited to the customer’s account at par A note will be put on the back of the tax bills to notify ratepayers.
- MODL does not have any other foreign accounts and ratepayers who do not have a Canadian bank account can send payments via wire transfer.

#### **6. Management Letter**

Mr. Belliveau reviewed the “Management Letter” (circulated with Agenda). The following points were noted:

- There were no known fraudulent or illegal acts committed by any municipal employees.
- Cyber insurance is a significant risk. MODL is currently self insured for cyber insurance but is currently looking at proposals for coverage.
- Unrestricted cash consists of any funds that do not have a specified purpose. MODL has \$25.4 million in funds consisting of: \$4.9 million in restricted funds, \$7.2 million in operating, \$912,838 credit in capital, \$18.7 million in reserves, and \$375,432 consolidated into the LCLC. The budget dictates how the funds are spent. This funding distribution ensures MODL is meeting its goals to be debt free this year and to maintain the tax rates.

- Note 11-F discusses an ongoing liability related to the Town of Lunenburg. This will continue to be in the statements until a resolution is met.

**Moved by Councillor Oickle, seconded by Councillor Moore that the Audit Committee recommends to Council that Municipal Council accept the Municipality of the District of Lunenburg's Financial Statements for the year ended March 31, 2021.**

Mr. Belliveau and Ms. Laird left the meeting at this time.

#### **7. Next Meeting**

No date was set for the next meeting.

#### **8. In Camera**

**At 9:05 a.m., it was moved by Councillor DeLong, seconded by Councillor Whynot that the Audit Committee recess and resume after the Council Meeting. Carried unanimously.**

**At 12:45 p.m., it was moved by Councillor Moore, seconded by Councillor Veinotte that the Audit Committee go In Camera to discuss item 8.1 "Contract Negotiations re Audit Contract under Section 22(2)(e) of the Municipal Government Act". Carried unanimously.**

Audit Committee In Camera in session.

**At 12:57 p.m., it was moved by Councillor Haysom, seconded by Councillor DeLong that the Audit Committee come out of In Camera and return to open session. Carried.**

Audit Committee in session.

**Moved by Councillor Moore seconded by Councillor DeLong that the Audit Committee recommends to Council that Municipal Council extend the current contract for Audit Services through March 31, 2027 as quoted in the attached proposal. Motion Carried. Those opposed: Councillor Statton.**

#### **9. Adjournment**

**There being no further business at 1:00 p.m., it was moved by Councillor Haysom, seconded by Mayor Bolivar-Getson that the meeting adjourn. Carried.**