



ATTENDING

Chairperson Mercedes Brian, Mayor Jeff Cantwell, Heather Hill, John MacKay, Director of Financial Services Mike MacLean and Recording Secretary Karen Outerleys.

ALSO ATTENDING

Chief Administrative Officer Erin Beaudin, and Nancy Frame, Partner at PricewaterhouseCoopers LLP.

REGRETS

Deputy Mayor Wendy Donovan

CALL TO ORDER

The meeting was called to order at 9:00 am.

1. APPROVAL OF AGENDA

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AGENDA BE APPROVED AS CIRCULATED.

CARRIED

2. APPROVAL OF MINUTES OF MAY 15, 2015

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MINUTES OF THE REGULAR MEETING OF MAY 15, 2015 BE APPROVED AS CIRCULATED.

CARRIED

3. 2014/2015 DRAFT FINANCIAL STATEMENTS

a. RFD 047-2015: 2014/2015 Financial Statements.

The focus of this meeting is the Consolidated Financial Statements in the Audit Report. Non-Consolidated Statements are also provided to allow an easier reference to our Town budget approach. The Report outlines the process leading up to the presentation of the March 31, 2015 year-end financial statements and the recommendation for approval. It also provides a general summary of key financial figures and variances reported in the year end statements. The report is intended to assist the Audit Committee, and ultimately Town Council, in the approval process of the audited year-end consolidated financial statements as well as the non-consolidated financial statements.

Highlights:

- The Financial Indicators update is a good measure of how the Town is doing financially
- Uncollected taxes up in actual dollar amount but Wolfville still ranks as one of the top towns in terms of collection success
- Commercial Property Tax Assessment as a percentage of overall taxes has dropped.
- Undepreciated Assets is an indicator that the province should review as there may be aspects of the calculation that make it unduly difficult to improve the indicator result year over year.
- In terms of the audited statements, the balance sheet continues to look healthy. The Town is in fact in a Net Asset position, something many municipalities don't achieve.

Annual audited financial statements assist Council in demonstrating accountability to the community. This level of accountability can be enhanced in the future by ensuring that the statements are completed closer to the actual year end date, March 31st.



Communication Requirements:

- Internally, the statements will be made available to all staff, including senior management, and all members of Council.
- Externally, a copy of the statements will be posted to the Town's website.
- The Town will also file the appropriate financial statement copies, and the auditor's report, with the province. The information contained in the year-end records will also be used to complete the Financial Information Return by the Province.
- A further copy will be sent to BMO as part of the Town's reporting requirement with its banking institution.

b. Report to the Audit Committee – Nancy Frame, Partner, PwC.

- Audit nearing completion, a few areas to be fine-tuned in the next few days.
- A Management Representation letter will be signed as a standard auditing requirement.
- Defined Benefit Pension asset should be no longer recognized, and it has been adjusted off the balance sheet accordingly.
- Reporting no fraud as related to senior management or employees, with no known or suspected instances of fraud. Recognized as being part of the responsibilities of the Audit Committee to follow-up if they were not getting reports or suspected significant variances in financial reports.
- Internal control recommendations. There were no significant deficiencies with internal controls, but there are a couple of recommendations:
 - i. There is currently no secondary review of journal entries by authorized individual other than poster review.
 - Recommendation that an authorized individual other than the poster, review journal entries, a standard process to have a second signer on those entries; and
 - ii. Management is currently unable to use the Accounts Receivable aging function due to the way in which receipts are mapped against outstanding invoices, making it difficult to accurately track receivables in order to determine the appropriate valuation.
 - Recommendation that Management create a system where cash receipts are applied against the invoice rather than the account itself, allowing Management to accurately track Accounts Receivable by invoice.
- Subsequent events would be significant issues that happened since April that have a material effect on the balance sheets. Confirmed with the Audit Committee that there are no events which would impact the financial statements other than those disclosed.

4. ADJOURNMENT TO IN CAMERA MEETING – 10:36 AM

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE REGULAR MEETING OF THE AUDIT COMMITTEE BE ADJOURNED TO AN IN CAMERA MEETING TO DISCUSS THE 2014/2015 FINANCIAL AUDIT REPORT **CARRIED**

5. REGULAR MEETING RECONVENED

6. RFD 047-2015: APPROVAL OF 2014/2015 CONSOLIDATED FINANCIAL STATEMENTS AND NON-CONSOLIDATED FINANCIAL STATEMENTS



MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AUDIT COMMITTEE FORWARD THE FOLLOWING MOTION TO COUNCIL FOR DECISION: THAT COUNCIL APPROVE THE MARCH 31, 2015 CONSOLIDATED AND NON-CONSOLIDATED FINANCIAL STATEMENTS **CARRIED**

7. FUTURE 2015/2016 MEETINGS

- October 16, 2015
- January 22, 2016

NEXT REGULAR MEETING

It was agreed that the next meeting would be scheduled for Friday, September 11, 2015 at 9:00 am.

8. ADJOURNMENT

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MEETING BE ADJOURNED AT 11:11 am. **CARRIED**

Approved at the September 11, 2015 Audit Committee Meeting.

As recorded by Karen Outerleys, AA Public Works