
ATTENDING

- Chair – Councillor Jodi MacKay
- Councillor Mercedes Brian
- Gordon Joice
- Frank Lussing
- Director Finance Mike MacLean, and
- Recording Secretary Dan Stovel

ABSENT WITH REGRETS

- Mayor Jeff Cantwell
- Chief Administrative Officer Erin Beaudin

CALL TO ORDER

Chair, Councillor MacKay, called the Audit Committee meeting to order at 10:34 am

Agenda Item

Discussion and Decisions

- | | | |
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| 1. Approval of Agenda | MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AGENDA BE APPROVED AS CIRCULATED | CARRIED |
| 2. Approval of Minutes September 15, 2017 | MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 15, 2017 BE APPROVED AS CIRCULATED | CARRIED |
| 3. Question Period | <ul style="list-style-type: none">• No questions were presented to the Audit Committee | |
| 4. Unfinished Business | | |
| a. Audit Committee Operational Plan Issues | <ul style="list-style-type: none">• Identified within the Operational Plan that the Town's Municipal Fees Policy was developed to capture all Municipal Fees under one Policy• The Policy will be reviewed on an annual basis with feedback provided by the Audit Committee, likely at the January 2018 meeting• The Procurement Policy was reviewed last year but will be reviewed on a recurring basis | |
| b. Re-Appointment of Town Auditor | <ul style="list-style-type: none">• Annually Council appoints an external auditor to conduct the required audit of the financial records and financial statements of the Town of Wolfville• In fiscal 2014/15, PricewaterhouseCoopers (PwC) was successful in their response to the Town's Request for Proposal (RFP) – Audit Services• PwC has conducted the audit of the 2014/15, 2015/16, and 2016/17 fiscal years | |



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- In accordance with the terms of the RFP, the successful proponent would be eligible for reappointment annually for four consecutive fiscal years. RFD 060-2017 deals with year four of this term

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AUDIT COMMITTEE RECOMMEND THAT COUNCIL APPOINT PRICEWATERHOUSECOOPERS (PwC) AS THE TOWN'S AUDITOR FOR THE FISCAL YEAR ENDING MARCH 31, 2018

CARRIED

5. New Business

a. 2017/2018 2nd Quarter Variance Report

- The report presented to the Audit Committee comprises one of the components of the Town's commitment to transparency and accountability
- The process includes quarterly updates that are first presented to the Audit Committee for questions and review
- The reports will be forwarded to Council to complete that step of updating financial results for the Town
- This was the Audit Committee's second look at the Town's financial results, and as such, some variances were similar to items discussed at the September meeting, while there were also a number of new variances to review
- The September 30th Financial Variance Report focused on actual results compared to expected budget results for the second quarter of the year
- The Audit Committee reviews the full variance report, Divisional and Department breakdown, while only the Divisional Summary moves forward to Council

Town Operating Fund

- The September 30th Financial Variance Report attached focuses on actual results compared to expected budget results for the half of the fiscal year
- The monthly breakdown is based on when the revenue or expenditure is planned to occur, not simply a 1/12ths allocation
- The results in the first half of the year are \$414,500 ahead of budget
- As is the case each year, there are timing differences that, once adjusted for, produce a result that is more reflective of where the Town's results can be expected to be by year-end. Based on

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timing difference reconciliations, the adjusted surplus forecast is \$289,823

- Recommended by the Committee that the Variance Report for each expense should not only identify the amount but also the percentage change for each expense

Town Capital Fund

- A summary of capital spending is included in the financial report
- Most projects/equipment purchases have been completed
- In some instances not all invoices have been received yet, so costs do not yet reflect level of completion
- The majority of capital projects this year have come in under budget or are expected to be under budget once complete

Water Utility

- The financial report includes results for the Water Utility
- As noted in the analysis of Town sewer revenues, the 2nd quarter water/sewer billing was higher than usual, and therefore water revenues are essentially back on budget
- Finance staff will continue to monitor and review the billings as both the low 1st quarter billing and higher 2nd quarter billing were unusual in the \$\$ value swing
- Overall operating expenditures are \$44,000 over budget, with the largest variances in the Transmission & Distribution Department. This is also the area where wages are over budget
- As noted previously there have been a number of water line breaks which have required both material and time to repair

Outstanding Taxes

- Final tax bills were due October 2nd and traditionally it takes the month of October before staff has a good handle on unexpected arrears
- As of the date of this report, arrears are higher than they were a year ago at this time
- The tax sale process will proceed for any accounts not paid, or owners who have not made reasonable payment arrangements, by end of October. It is anticipated that the actual tax sale date will be March or April 2018. This allows time for the steps



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outlined in the Municipal Government Act, including title searches and further notifications, public advertisement and actual date of sale

Other Updates

- The Workers' Compensation Board is currently conducting an audit of the 2014, 2015, and 2016 years
- All required provincial reporting has been completed
- Utility and Review Board (UARB) filings are outstanding and will be submitted before end of October
- G.A. Isenor Consulting has been engaged to carry out the Town's water rate study. Staff have a list of documents to provide the consultant, after which further updates on the process will be provided
- Insurance RFP Process expected in January/February
- Fees Policy – will require review and input by Audit Committee (per Operations Plan) as part of 2018/19 Budget Process

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AUDIT COMMITTEE FORWARD THE INTERIM FINANCIAL REPORT, AS AT SEPTEMBER 30, 2017, TO THE NOVEMBER 7, 2017 COMMITTEE OF THE WHOLE MEETING

CARRIED

6. Next Regular Meeting The next regular meeting of the Audit Committee is scheduled for Friday, January 26, 2018 at 9:00am

7. Adjournment **MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MEETING BE ADJOURNED AT 11:35 AM**

CARRIED

Approved at the January 26, 2018 Audit Committee Meeting.

As recorded by Dan Stovel, Town Clerk/AA Corporate Services