



ATTENDING

Chairperson Mercedes Brian, Mayor Jeff Cantwell, Deputy Mayor Wendy Donovan. Heather Hill, John MacKay, Director of Financial Services Mike MacLean and Recording Secretary Dan Stovel.

ALSO ATTENDING

Chief Administrative Officer Erin Beaudin , and representatives of Pricewaterhouse Coopers (PwC) auditors – Nancy Frame, Engagement Leader, and Alex Christianson, Engagement Manager.

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 JANUARY 23, 2015

As part of the January 23, 2015 minutes, the Director of Finance, Mike MacLean, outlined that the Audit Committee had recommended forwarding two issues to Council for review:

- The RCMP contract and its impact in all regards, including other fines revenue and related prosecution costs to determine how that has changed over the last three years, and
- The process for job cost billings not being billed on a timely basis.

Neither of these items have yet to be forwarded to COW/Council. Both will move forward to the Committee of the Whole in June 2015.

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MINUTES OF THE REGULAR MEETING OF JANUARY 23, 2015 BE APPROVED AS CIRCULATED.

CARRIED

3. REPORT FROM TOWN AUDITORS

The PwC auditors provided an overview of the Audit Plan for the Town of Wolfville. The primary responsibility is to form and express an opinion on the Town's financial statements as at March 31, 2015 and for the year then ended.

The PwC client service team for the Town of Wolfville's audit comprises the following individuals:

- Nancy Frame, CA – Engagement Leader
- Alex Christianson, CA – Engagement Manager, and
- Liam Murphy – Field in-charge

The timeline of the Audit as outlined within the PwC Audit Plan is as follows:

Audit Planning

- Planning and interim audit work May 4-8, 2015
- Presentation of audit plan to the Audit Committee May 15, 2015

Audit

- Year-end audit June 1-5, 2015
- Clearance meeting with management and PwC June 15, 2015
- Year-end Audit Committee meeting TBD
- Presentation to Council July 21, 2015
- Filing of financial statements July 22, 2015

As far as Risk Analysis, the significant risks are those risks of material misstatement. PwC has identified the following significant audit risks:

- Significant estimates: There are inherent risks in this area, especially with regard to estimates involving material balances such as pension and post-retirement benefits where small changes in an estimate or assumption could have a significant impact on the financial statements; and
- Management override and control over disbursements: This is a risk inherent in all municipalities and similar organizations where those charges with governance (Council) and not directly involved in the day-to-day operations.

At the year-end Audit Committee meeting, the PwC audit team will provide to the Audit Committee their draft audit opinion, key findings (particularly, regarding significant estimates, transactions, accounting policies and disclosures), any significant deficiencies identified in internal controls.

During the subsequent discussion session PwC's audit team indicated that their initial point of contact would be through management staff, but if there were any particular areas of concern in discussing with management, PwC would bring forward to Audit Committee. Contact with senior management is a normal process throughout the audit process. The mechanism in place is to have an In-Camera session when the Auditors will have the opportunity to highlight any specific areas of concern directly to the Audit Committee.

4. INFORMATION REPORT – FINANCIAL POLICY REVIEW

Director of Finance provided an overview of Financial Policies for review and possible amendment by the Audit Committee:

- Tax Exemption Policies and Bylaws - one Policy and a series of Bylaws (effective August 31, 2012)
- Open Space Fund Policy (effective August 19, 1996)
- Procurement Policy (Amended December 17, 2012)
- Conference and Membership Policy (Amended October 15, 2012)
- Reserve Policy (effective December 17, 2012)
- Council Remuneration (Amended February 28, 2007, effective October 2008)



Policies may not need to be changed; however, the periodic review helps to ensure that policies remain relevant. After discussion, including questions and answers involving the CAO and Director of Financial Services, the Committee dealt with two policies as follows:

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AUDIT COMMITTEE REFER THE ISSUE OF TAX EXEMPT POLICIES AND BYLAWS TO COMMITTEE OF THE WHOLE FOR REVIEW AND POSSIBLE CONSOLIDATION. **CARRIED**

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE AUDIT COMMITTEE REFER THE PROCUREMENT POLICY TO MANAGEMENT STAFF FOR REVIEW/UPDATE VIA THE AUDIT COMMITTEE. **CARRIED**

5. NEXT MEETING

It was agreed that the next meeting would be scheduled for Friday, July 3, 2015 at 9:00 am.

6. ADJOURNMENT

MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MEETING BE ADJOURNED AT 10:37 AM. **CARRIED.**

Approved at the July 3, 2015 Audit Committee Meeting.

As recorded by Dan Stovel