



**ATTENDING**

- Chair, Councillor Jodi MacKay
- Mayor Wendy Donovan
- Councillor Mike Butler
- David Crabb,
- Heather MacKay
- Director of Finance Mike MacLean
- Accountant, Jenny Johnson
- Recorder Laura Morrison

**ALSO ATTENDING**

- Jessica Clahane & Victoria Ells, Auditors, Grant Thornton

**CALL TO ORDER**

Chair, Councillor Jodi MacKay, called the Audit Committee meeting to order at 9:01 am

**Agenda Item**

**Discussion and Decisions**

**1. Approval of Agenda**

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

**CARRIED**

**2. Approval of Minutes**

**MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MINUTES OF THE AUDIT COMMITTEE MEETING OF JANUARY 21, 2022, BE APPROVED WITH CHANGE TO ATTENDEE LIST AS NOTED.**

**CARRIED**

**3. New Business & Staff Reports for Discussion**

**a. 2021/22 Financial Audit – Audit Plan Review with Grant Thornton**

- Jessica Clahane provided an overview of the Audit plan. The scheduled audit will start in May.
- No significant concerns related to COVID impact.
- No significant changes or large transactions.
- No fraud or non-compliance noted. As per usual practice the committee will go In Camera with Auditors without staff for a chance to discuss any concerns they may have.
- There are presumed risks in every organization and checks are carried out regarding fraud risk and regarding tax revenue and override of controls, and appropriate journal entries and independent third-party valuation for future employee benefits.
- Technical Updates: As of next year, will have to look at asset retirement i.e. costs of removing a building which may contain asbestos for example.

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- Assurance – there are some changes to the auditing standards around how auditors carry out their duties and in communications practices, but auditors have already been working to those standards so no real changes.

**MOTION: IT WAS REGULARLY MOVED AND SECONDED THAT THE MEETING BE ADJOURNED TO INCAMERA AT 9:30AM.**

**CARRIED**

**In Camera Session**

**Resume Regular Meeting**

**The regular meeting resumed at 9:43am.**

**b.RFD 031-2022  
Procurement Policy  
Update**

Upon request of the Chair, Director MacLean updated the group on members of the Finance Department, noting job titles and general areas of responsibility. Mention was also made of a new ½ FTE position approved in the 2022/23 budget which will assist the organization with general tasks and covering the main reception/cash receipt desk at Town Hall.

- The Director walked the Committee through the draft Policy, including review of key points in RFD 031-2022 related to changes or amendments from the last discussion on the Policy in 2021.
- Key areas of discussion included;
  - Changes to purchase authority thresholds recognizing the purchasing power of \$1 over time, i.e. a valid threshold from a decade ago is less relevant today.
  - Change to CAO's authority to purchase within a 10% variance of budget. To be refined into purchases less than \$100,000, with those greater than \$100,000 having a smaller variance and possible clause tied to dollar amount of variance. Example, if variance from budget itself is greater than \$100,000 then Council approval required for expenditure.
  - Addition of a new threshold within Section 5.3 of the Policy, a new directive for small dollar purchases.
  - Section 5.7.2 Standing Offers – additional language added to clarify how and when SO can be used, as well as requirement to include updating Council annually during budget process as to planned use of standing offers for the upcoming year. This will provide an



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opportunity for Council ask questions on any standing offer application that may concern members of Council.

- The Committee sought to have similar language added to the section on RFP's, and this amendment to the draft will require committee agreement before the draft Policy goes to Council.
- Language added to Policy specifically linking purchase authority thresholds to apply to staff seeking grant funding for projects (5.2.3).
- Addition of Social Enterprise option in the Directives section 5.3.
- Much of the discussion focussed on Standing Offers and Request for Proposals (RFP's). Both the added language in the Standing Offer section, and similar language to be included in an RFP section, helps to address concerns that Council is not always aware of how Standing Offers and RFP's are being used. That can be in terms of what services they are applied to or scope of work falling within the service/product being acquired.
- Key to the added language in the draft Policy is the requirement to include in the budget process updates to Council with regard to both standing offers and RFP's.

**IT WAS REGULARLY MOVED AND SECONDED THAT THE AUDIT COMMITTEE FORWARD THE ATTACHED PROCUREMENT POLICY WITH AMENDMENTS AS DISCUSSED, TO THE JUNE 7, 2022, COMMITTEE OF THE WHOLE MEETING, AFTER THE FINAL DRAFT IS CIRCULATED AND APPROVED BY COMMITTEE MEMBERS VIA EMAIL.**

**CARRIED**

**Action Items**

- Director MacLean will revise the wording around Request for Proposals and email to the committee for approval before going to Council.

**4. Next Meeting Date**

**July 8, 2022 @ 8am**

**5. Adjournment of Meeting**

**IT WAS REGULARLY MOVED AND SECONDED THAT THE AUDIT COMMITTEE MEETING BE ADJOURNED AT 11:32A.M.**

**CARRIED**

**As recorded by Laura Morrison, Executive Assistant/Town Clerk, Office of the CAO  
Approved at the July 8, 2022 Audit Committee Meeting**