

MUNICIPALITY OF THE DISTRICT OF LUNENBURG
Minutes of a Special Meeting of
AUDIT COMMITTEE
Held via Tele and Video Conference
Tuesday, July 7, 2020 – 9:00 a.m.

ATTENDANCE

Councillor Claudette Garland, District 6, Chair
Councillor Eric Hustvedt, District 1, Vice Chair
Mayor Carolyn Bolivar-Getson
Deputy Mayor Martin Bell, District 2
Councillor Lee Nauss, District 3
Councillor John Veinot, District 4
Councillor Cathy Moore, District 5
Councillor Wade Carver, District 7
Councillor Michael Ernst, District 8
Councillor Reid Whynot, District 9
Councillor Errol Knickle, District 10

Member-At-Large Stanley Rose

Staff: Tom MacEwan, Chief Administrative Officer
 Sherry Conrad, Municipal Clerk
 Elana Wentzell, Director of Financial Services
 Angela Veinot, Manager of Accounting
 Sarah Kucharski, Communications Officer
 Rachel Hiltz, Recording Secretary

1. CALL TO ORDER

Councillor Garland called the meeting to order at 9:00 a.m.

2. APPROVAL OF AGENDA

Moved by Councillor Nauss, seconded by Mayor Bolivar-Getson that the Agenda be approved as circulated. Carried.

3. BELLIVEAU VEINOTTE - PRE-AUDIT DISCUSSION

Michael Belliveau, Paul Belliveau, Michelle Laird and Luke Richardson of Belliveau Veinotte Inc. were in attendance at this time. They discussed the upcoming audit for MODL. The following points were noted:

- The Auditors requested members bring forward any concerns, potential risks, or internal control issues that they want focused on during the upcoming Audit.
- Audit field work will be completed in August. The timing has not been finalized yet, but a plan is in place to have a mostly remote audit due to the current pandemic and ensuring staff safety. The plan may change if conditions change.
- The Auditors take a risk-based approach to the audit. They try to determine where risk is and look for areas of misstatement. For example:

- This year there was a pension fund transfer.
- There is a new building being built and the current one will be moved from tangible capital assets and recorded as asset held for sale. Part of that is determining value of the building.
- The Lahave River Straight Pipe Replacement Project is also going to be reviewed. It was part of last year's audit, but will be looked at again.
- The auditors determine an annual materiality amount. This amount is the value that would impact the decision making of the user of the financial statements.
- This year the audit will cost \$24,450 as per the RFP. Any special work is additional, but there is no anticipated special work this year.
- The Auditors will also focus on internal controls and evaluate these on a higher level to ensure the controls are appropriate and being followed by staff. Some controls include:
 - Last year's audit letter noted a concern regarding expense reports. Including timing, signatures, and cut offs. This will be looked at again this year.
 - Staff are now working remotely. There have been ongoing discussions to determine appropriate controls for remote work, and controls will continue to be monitored going forward.
- The Audit Committee is responsible for: reviewing the summary of remuneration and expenses for Councillors and the CAO, reviewing the annual summary of hospitality expenses, and reviewing the adequacy of staffing for both number and competency.

A discussion was held regarding the pension transfer. The transfer occurred on March 1, 2020. Auditors will be looking at the third party information provided to ensure the numbers are correct and the transfer was done properly. They will also ensure the numbers are recorded properly in the financial statements.

4. **IN CAMERA** (If required)

5. **ADJOURNMENT**

There being no further business at 9:16 a.m., it was moved by Councillor Whynot, seconded by Councillor Carver that the meeting adjourn. Carried.