

AUDIT COMMITTEE MEETING**August 24, 2020**

The meeting was called to order by the Chair at 5:40 pm, in the Multi-Purpose Room, in the Administrative Centre, in Barrington, NS, with the following members present:

- Warden Eddie Nickerson, Chair
 - Councillor Murray Atkinson
 - Citizen Rep Donna Messenger
 - Citizen Rep Andrea Mood-Nickerson
 - Citizen Rep Amanda Lloyd
 - Deputy Warden Jody Crook - Absent due to vacation.
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- Chris Frotten, CAO
 - Leah d'Eon, Director of Finance
 - Gloria Bank, Grant Thornton Auditor
 - Kelsey Murphy, Grant Thornton Auditor

DISCUSSION WITH GRANT THORNTON AUDITORS

Gloria Banks and Kelsey Murphy presented the draft audited statements, reviewing certain items in detail.

It was noted that the year ended with an operating fund surplus of \$ 196,416. A large part of the operating surplus was due to an increase in deed transfer tax revenue, rental revenue, and services to other government revenues.

A few items discussed were as follows:

Covid 19 – The Covid-19 virus became widespread in the winter of 2020. This virus has the potential to material impact the Municipality financial operations. It was determined that the virus was a non-adjusting subsequent event and the Municipality will continue to assess its impact on the 2021 fiscal year, however it is not expected to be material.

Segregation of Duties: The Municipality has several duties that are not adequately segregated. A lack of segregation of duties can increase the risk of errors and fraud going undetected. This is a common issue that is noted within smaller organization, where the number of staff is limited. In an ideal situation, there are 5 control points that should be adequately segregated: initiation, authorization, recording, reporting and custody of assets

Payables Processing: It was noted that when invoices are recorded in the financial system, the invoice date should be entered, rather than the date of entry. It was noted that proper dates are being used at the end of each month; however further improvements could be made by using the invoice date at all times.

Resolution AC200801

Being duly moved and seconded be it recommended to Council that \$ 196,416 of the surplus be transferred to the operating reserve.

Motion carried unanimously.

Resolution AC200802

Being duly moved and seconded be it recommended to Council to accept the draft audited statements as presented.

Motion carried unanimously.

ADJOURNMENT

The meeting was adjourned at 6:56 pm.

Chair

Secretary for the Meeting