



Minutes of the Audit Committee Meeting

Place: Oxford Town Hall, Council Chambers
Date: Thursday, August 19, 2021
Chairperson: Councilor Paul Jones
Members Present: Councilor Chrystal McNutt
Public Appointee: Dave Clark

Regrets: Councillor Carla Black and Public Appointee Tracy Black

A quorum was present throughout the meeting.

Staff present: Senior Accountant - Ruthann Brookins and Town Clerk - Linda Cloney (recording secretary)

Guest: Engagement Leader for Baker Tilly Nova Scotia Inc. - Alida Mitchell

1. Call to Order

Councillor Jones called the meeting to order at 6:00 pm.

3. New Business

3.1 Materiality Threshold

Definition of Materiality

Materiality is the term used to describe the significance of financial statement information to decision makers. An item of information, or an aggregate of items, is material if it is probable that its omission or misstatement would influence or change a decision.

Materiality is a matter of professional judgement in the circumstances.

There is a difference between bookkeeping and auditing. Without using thresholds, the auditors would be bookkeeping not auditing.

The Canadian Auditing Standards Handbook states that auditors can use the thresholds between 65% and 80%.

Baker Tilly Nova Scotia Inc. firm recommends using a conservative approach of 65%.

The Audit Committee agrees with this threshold.

3.2 Clearly trivial error threshold - CTET

The Canadian Auditing Standards Handbook allow auditors to use the threshold between 5 and 10% of overall materiality.

The auditors recommend using a 5% threshold, as this is the more conservative approach. This would be a level of \$5,000.

The RFP quote that Baker Tilly Nova Scotia Inc. submitted is set with those thresholds in mind.

The Audit Committee agrees with this threshold.

3.3 Non-consolidated financial statements – was not included in RFP

The RFP that was issued for external auditors did not state that we needed consolidated financial reports on each of the five companies. Consolidated financial reports are required by the province to complete financial reporting that staff need to complete.

Baker Tilly Nova Scotia Inc. submitted their quote based on consolidated financials only. The cost will be an additional \$5,000 to provide the non-consolidated financials, as required.

Staff noted that in the next RFP for external auditors to include non-consolidated financials for the five companies and that they need to line up with the Financial Information Return (FIR).


4. Adjournment

At 6:25 pm, it was moved and seconded that the meeting be adjourned.

Motion Carried.



Paul Jones, Chairperson



Linda Cloney, Recording Secretary