



Minutes of the Audit Committee Meeting

Place: Town Hall, Council Chambers
Date: Thursday, January 14, 2021
Chairperson: Councilor Carla Black
Members Present: Mayor Gregory Henley, Councilor Paul Jones, and Member of the Public Tracy Black.

A quorum was present throughout the meeting.

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

1. Call to Order

Chairperson Carla Black called the meeting to order at 6:00 pm.

2. Approval of Agenda

Add 4.5 – Spring Debenture and Short-Term Loan
Add 4.6 – 2021 – 2022 Budget

It was moved and seconded that the agenda of the Audit Committee Meeting for January 14, 2021 be approved, as amended.

Motion Carried

3. Approval of Previous Minutes

It was moved and seconded that the minutes of the Audit Committee Meeting for January 6, 2021 be approved.

Motion Carried

4. New Business

4.1 April 1, 2020 – January 15, 2021 General Operating Financials

Staff presented to the Audit Committee the General Operating Financials and a report of the five bank account balances as of January 14, 2021.

The General Operating bank account is at -\$349,627.63.

On the report of the General Operating Financials there is a table reflecting items that are affecting the cash flow in General Operating.

4.2 April 1, 2020 – January 15, 2021 Water Operating Financials

The report was presented.

4.3 Financial Reporting and Accounting Manual – FRAM

The FRAM is a manual that is a regulation prescribed pursuant to Sections 451 and 520 of the Municipal Government Act as the system for accounting to be used by municipalities and villages in the Province of Nova Scotia.

4.4 Financial Course for Elected Officials

There is a financial course being offered to elected officials, Ruthann has registered for it as it is felt this would be useful for her. The cost is \$300.00 and will be hosted on January 25, January 27, and January 29.

Staff have reached out to Bruce Purchase, with the Municipal Finance Corporation, he is part of a mentorship to assist municipalities.

Staff will be attending a zoom meeting being hosted by the Province regarding the Safe Restart Agreement funds.

4.5 Spring Debenture and Short-Term Loan

As shown, in the table at the bottom of the General Operating Financials report, there are two water capital expenses that the Town of Oxford will need to apply for a short-term loan for. The amount for the short term loan is \$663,000 and is anticipated to turn into a Spring Debenture.

The Municipal Finance Corporation is meeting early February to discuss the outcome of the short-term loan.

4.6 2021 – 2022 Budget

The audit committee will need a copy of the 2019-2020 and the 2020-2021 financials and budget for comparisons, to assist with the budget process. Staff will present the audit committee a budget template started. Staff will also gather the input of the department heads regarding the budgeted numbers to present to the committee at the next meeting.

5. Old Business

5.1 Financial Management Policies

There was a discussion regarding the Audit Committee Terms of Reference and the importance of understanding and following it as it was intended for.

Capital Reserve Fund Policy was discussed. Items that need attention to, that were commented on, are:

Statement – 2. It states, the level of Capital Reserve Fund will be at least twenty per cent (20%) of regular general fund operating expenses plus amortization expenses. – this will need to be applied to the capital reserve budget.

Funding – 1. e. It states, proceeds received from the winding up of a municipal enterprise as defined in the Municipal Finance Corporation Act. Need clarification.

Multi-Year Capital Plan Policy was discussed. Items that need attention to, that were commented on, are:

Statement – 2. It states, the identification and reporting of tangible capital assets upholds Public Sector Accounting Board (PSAB) standards. Under the Canada-Nova Scotia Agreement on the Transfer of Federal Gas Revenues, municipalities in Nova Scotia must also submit a Capital Investment Plan (CIP) annually to be eligible for funding. The CIP is not a substitute for a multi-year capital plan; rather, it complements the Town's long-term planning for its capital needs.

Question: What does our CIP say and does this happen every year?

Policy Principals – 10 a) December – send notice to Council and staff of capital budgeting process, with request to identify new projects for January Council Committee of the Whole.

AND

10 b) January – Review and discuss status of existing projects at Committee of the Whole. List and identify new projects submitted by Council and staff. At this stage, Council identifies which projects should proceed to be costed by staff and provides direction on which projects are to be brought forward in the budgeting process.

Discussion: It is noted that 10 a & b have not been done this year.

Policy Principals – 8. - it states the Chief Administrative Officer shall coordinate the projection of expenditures and revenues. Department Heads shall be responsible for providing updated forecasts.

Discussion: How often or does this happen? Committee members suggested that Department Heads need to be more involved in their budget. A solution to this is that the Department Heads could add a financial piece to their respecting reports.

Operating Reserve Fund Policy

Statement – 2. - it states the Town of Oxford is committed to establishing and maintaining an Operating Reserve Fund. The level of Operating Reserve Fund will be at least twenty per cent (20%) of regular general fund operating revenues.

Discussion: This will need to be put in the budget.

Debt Management Policy

Policy Principles – 3 a. – it states the Town of Oxford has many competing spending priorities for revenues collected each year. The Town’s capacity to incur debt is directly related to its ability to service the payments required on the debt. These include both annual interest and principal.

AND

Policy Objectives – d. – it states ensure the term of capital financing is no longer than the useful life of the related asset.

AND

Policy Principles – 3 c – this policy shall be reviewed in three years.

Discussion: Does this happen? The policies are not being followed.

Tax & Water Collection Policy

Tax Collection – General Practices – 7. – it states staff will make all reasonable effort to collect taxes due to the Town. This includes reasonable effort to locate taxpayers whose whereabouts are not readily known. A number of procedures, common to the collection industry, may be used including the use of outside agencies as outlined in administrative policies or procedures approved by the CAO.

Discussion: How much of the Town's taxes are overdue and how long overdue? Staff have just recently sent out statement of accounts to those that are overdue.

Properties in Tax Sale Position – 12. – it states, at June 30 of each year, all accounts will be reviewed. Accounts that have current year tax outstanding and part or all of prior year tax outstanding shall be considered to be in tax sale position. The CAO is authorized to adopt administrative guidelines that identify minimum amounts below which the second years' taxes will not trigger the tax sale procedures.

Discussion: It has been a few years since there has been a tax sale.

Water Accounts – Arrears Collection - 27. – it states, all water accounts will be reviewed at the due date and those with arrears of \$30 and over will be sent a reminder notice. The reminder will allow a ten-day period in which the account is to be paid. At the end of the ten-day period those accounts still outstanding will be sent a Notice of Intention to Disconnect, within five business days, unless the account is paid in full. Staff are expected to use collection tools at their disposal and their judgement is applying this policy in determining accounts that will actually be disconnected.

Discussion: Does this happen? It has happened in the past, but it has not happened within the past year.

Hospitality Policy

Signing Authority – 7. – it states, the following are the Signing Authority for the positions referred to, and shall be responsible for administering this policy with respect to the individuals in those positions:

Position	Signing Authority
Mayor	CAO/Designate
Members of Council & CAO	Mayor/Designate
Town Employees	CAO/Designate

Discussion: The committee recommends that the Town Council should revisit this and change the signing authorities to Town Council. It should be Town Council approving costs.

Fees Policy

There was discussion on whether the fees schedule is comparable to other municipalities. Staff confirmed that they are.

Travel & Expense

Signing Authority – 1. – it states, the following are the Signing Authority for the positions referred to, and shall be responsible for administering this policy with respect to the individuals in those positions:

Position	Signing Authority
Mayor	CAO/Designate
Members of Council & CAO	Mayor/Designate
Town Employees/Committee appointees	CAO/Designate

Discussion: The committee recommends that the Town Council should revisit this and change the signing authorities to Town Council. It should be Town Council approving costs.

Procurement Policy

Discussion: How many things fall between 5 and 10 thousand dollars? It was discussed that the thresholds are too high. Also, there was a discussion on local businesses. The committee discussed that the awarding of the tenders should be the decision of the Council rather than the staff.

Purchase Orders were discussed. The committee feels that there should be a purchase order for everything purchased.

The committee recommends that each Council member should be a chairperson for a department. Therefore, the Council member would be authorizing each invoice from that department and reporting back to Council.

It was discussed that making Department Heads accountable for their budgets monthly would be a good first step.

5.2 Audit Committee to do list

Lieu time was discussed. It was felt that any lieu time payout should be approved by Council.

The remainder of the to do list will be deferred to our next meeting.

General Discussion with the following points

There was a general discussion regarding the audit experience with the Town Staff. The audit was late getting finished in which held up part of our funding from the Province that assists the Town with cash flow.

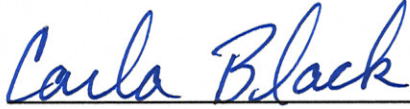
The delay with the townsuite implementation was discussed.

6. Adjournment

Next meeting is scheduled to meet in person for Thursday February 4, 2021 at 6:00 pm.

At 8:31 pm, it was moved and seconded that the meeting be adjourned.

Motion Carried.



Carla Black, Chairperson



Linda Cloney, Recording Secretary