

Municipality of Chatham-Kent
AUDIT POLICY COMMITTEE
RECORD OF MEETING

Monday, April 23, 2018 - - - 3:30 p.m.
Council Lounge, Civic Centre

PRESENT:

Committee Members:

- Mayor Randy Hope
- Councillor Darrin Canniff, Chair
- Councillor Derek Robertson

Administration:

- Don Shropshire, CAO
- Mike Turner, Chief Financial Officer
- Steve Brown, Director, Financial Services
- Matt Torrance, Supervisor, Accounting Operations
- Brock Priddle, Financial Analyst I
- Maria Kernohan, Executive Assistant, FBIS

ABSENT:

- Councillor Bob Myers
- Councillor Jeff Wesley

Call to Order

The Chair called the meeting to order at 3:33 p.m.

No conflict of interest was declared.

External Auditor RFP

Report provided with the agenda.

Steve reported that the RFP was issued in February, three bid packages were received and one was rejected because it did not meet the Entegrus minimum score criteria. CK and Entegrus both had different evaluation processes but it was later determined best to recommend the blended model. Steve provided a copy of the completed evaluation chart.

Cl. Robertson requested clarification of the evaluation process and suggested an alternative for the scoring but the outcome remained unchanged.

Discussion on having a plan in place should there be two separate auditors in the future.

MOTION: Administration be directed to bring to the next open session of Council the following recommendation: That Council appoint Deloitte as the external auditors for the Municipality of Chatham-Kent and all its related Companies and Boards for the calendar years 2018 to 2022, at an average cost of \$83,790 per year.

Moved by Cl. Robertson. Seconded by Mayor Hope CARRIED

BIA Audits

Report provided with the agenda.

Steve explained that although there was significant effort on behalf of staff and the auditors, the BIA audits continue to be incomplete mainly due to BIA staff changeovers and past financial information not being readily available. The Chatham BIA is in a position to have its audits completed.

The Committee discussed the risks involved, as well as the penalty of withholding funds or no longer being considered a Committee of Council.

ACTION:

1. The Committee directed administration to create a recommendation that updated the policy by including a penalty provision to either withhold funds and/or revoke Committee of Council status.
2. In order to understand the magnitude of the issue, the Committee requested background information regarding: the timing of funding; the revenue amounts collected and dispersed on behalf of the BIAs; confirmation whether someone other than the municipal auditor can complete the audits, and; confirmation that Chatham-Kent can legally withhold funding.

MOTION: Administration be directed to bring to the next open session of Council the following recommendation: That Council waive the Business Improvement Area audits for 2012 through 2015, and that the Business Improvement Area audits for 2016 and 2017 be completed during the 2017 municipal audit.

Moved by CI Robertson. No seconder. MOTION FAILED

MOTION: That the matter be deferred to the next meeting when the requested information could be presented and considered with the Committee.

Moved by CI Robertson. Seconded by Mayor Hope. CARRIED

Employee Fraud (standing item) - Director, Financial Services

Nothing to report.

Next Meeting

The next meeting will be at the call of the Chair.

- A meeting will be scheduled in June to review Bradley Centre quarterly reports
- A meeting will be scheduled in July to receive the 2017 Audited Financial Statements

Adjournment

MOTION: That the Audit Policy Committee meeting be adjourned.

Moved by CI Robertson. Seconded by Mayor Hope. CARRIED

The meeting adjourned at 4:00 p.m.