



**AUDIT COMMITTEE  
DRAFT MINUTES  
July 20, 2022**

PRESENT: Councillor Paul Russell, Chair  
Councillor Cathy Deagle Gammon, Vice Chair  
Councillor David Hendsbee  
Councillor Trish Purdy  
Councillor Shawn Cleary  
Councillor Kathryn Morse  
Caroline Duchesne  
Mayor Mike Savage, Ex Officio

REGRETS: Claude Carter

STAFF: Jerry Blackwood, Executive Director of Finance and Asset Management/  
Chief Financial Officer  
John Traves, Municipal Solicitor  
Annie Sherry, Legislative Assistant  
Eric Bowdridge, Legislative Assistant

*These minutes are considered draft and will require approval by Audit Committee at a future meeting.*

*The following does not represent a verbatim record of the proceedings of this meeting.*

*The agenda, reports, supporting documents, information items circulated, and video (if available) are online at [halifax.ca](http://halifax.ca).*

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*The meeting was called to order at 10:03 a.m. The Committee moved into an In Camera (In Private) session at 10:54 a.m. and reconvened at 11:21 a.m. The Committee adjourned at 11:31 a.m.*

## **1. CALL TO ORDER AND LAND ACKNOWLEDGEMENT**

The Chair called the meeting to order at 10:03 a.m. and acknowledged that the meeting took place in the traditional and ancestral territory of the Mi'kmaq people, and that we are all treaty people.

## **2. APPROVAL OF MINUTES – March 9, 2022**

MOVED by Councillor Deagle Gammon, seconded by Councillor Purdy

**THAT the minutes of March 9, 2022 be approved as circulated.**

**MOTION PUT AND PASSED.**

## **3. APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS**

Additions: None

Deletions: None

MOVED by Councillor Hendsbee, seconded by Councillor Morse

**THAT the agenda be approved as presented.**

**MOTION PUT AND PASSED.**

## **4. CALL FOR DECLARATION OF CONFLICT OF INTERESTS – NONE**

## **5. YEAR END FINANCIAL STATEMENTS & FOURTH QUARTER FINANCIAL REPORT**

The following was before the Committee:

- Staff recommendation report dated July 8, 2022
- Staff presentation dated July 20, 2022
- Presentation dated July 15, 2022

Jerry Blackwood, Executive Director of Finance and Asset Management/ Chief Financial Officer, and David Harley, Director, Accounting & Financial Reporting gave a presentation on the Year End Financial Statements and Fourth Quarter Financial Report.

Carey Blair, Lead Audit Engagement Partner, KPMG gave a presentation on KPMG's HRM Audit Findings Report.

MOVED by Mayor Savage, seconded by Councillor Deagle Gammon

**THAT the Audit Committee recommend that Halifax Regional Council approve:**

- 1) The Consolidated Financial Statements of the Halifax Regional Municipality for the year ended March 31, 2022;**
- 2) The Statement of General Rate Surplus of the Halifax Regional Municipality for the year ended March 31, 2022;**

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**3) Transfers of \$29,348,010 as outlined below, to reduce the general rate surplus to zero:**

- Multi-District Facilities Reserve, Q546                   \$ 1,000,000
- Capital Fund Reserve, Q526                               \$ 1,761,400
- Options Reserve, Q421                                       \$ 26,586,610

**4) The financial statements of the Halifax Regional Municipality Miscellaneous Trust Funds for the year ended March 31, 2022; and,**

**5) That KPMG continue as the External Auditor until the tender for external audit services is awarded for fiscal year 2022/23.**

**6) The Fourth Quarter 2021/22 Financial Report.**

**7) Unbudgeted withdrawals of \$14,286,610 from the Options Reserve to fund operating shortfalls and pressures in fiscal 2022/23 as laid out in Attachment 10.**

David Harley, Director, Accounting & Financial Reporting, and Jerry Blackwood, Executive Director of Finance and Asset Management/ Chief Financial Officer responded to questions of clarification from the Committee regarding the budget surplus for year end 2021-22, the relationship between Audit Committee, Budget Committee, and Regional Council budgetary approval process, Red Cross demolition approval by council, capital budget carryover, line items regarding fuel and inflation, the offsetting of inflation with transit ridership and fare increase, and deed transfer tax revenue.

As provided for in section 103 of Administrative Order One, *Respecting the Procedures of the Council*, a motion was made to convene In Camera to discuss Item 5 - Year End Financial Statements & Fourth Quarter Financial Report with the External Auditor.

MOVED by Mayor Savage, seconded by Councillor Deagle Gammon

**THAT Audit Committee convene to In Camera (In Private) to discuss Item 5 - Year End Financial Statements & Fourth Quarter Financial Report with the External Auditor.**

**MOTION PUT AND PASSED.**

Jerry Blackwood, Executive Director of Finance and Asset Management/ Chief Financial Officer, responded to questions of clarification from the Committee regarding on commitments to reserves, steps to bring reserve acquisitions to Regional Council, and the breakdown of Options Reserve.

The question was called on the main motion:

MOVED by Mayor Savage, seconded by Councillor Deagle Gammon

**THAT the Audit Committee recommend that Halifax Regional Council approve:**

**1) The Consolidated Financial Statements of the Halifax Regional Municipality for the year ended March 31, 2022;**

**2) The Statement of General Rate Surplus of the Halifax Regional Municipality for the year ended March 31, 2022;**

**3) Transfers of \$29,348,010 as outlined below, to reduce the general rate surplus to zero:**

- Multi-District Facilities Reserve, Q546                   \$ 1,000,000
- Capital Fund Reserve, Q526                               \$ 1,761,400

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- **Options Reserve, Q421** **\$ 26,586,610**
  
- 4) **The financial statements of the Halifax Regional Municipality Miscellaneous Trust Funds for the year ended March 31, 2022; and,**
  
- 5) **That KPMG continue as the External Auditor until the tender for external audit services is awarded for fiscal year 2022/23.**
  
- 6) **The Fourth Quarter 2021/22 Financial Report.**
  
- 7) **Unbudgeted withdrawals of \$14,286,610 from the Options Reserve to fund operating shortfalls and pressures in fiscal 2022/23 as laid out in Attachment 10.**

**MOTION PUT AND PASSED.**

Not present: Mayor Savage

**6. IN CAMERA (IN PRIVATE)**

As provided for in section 103 of Administrative Order One, *Respecting the Procedures of the Council*, a motion was made to convene In Camera to discuss Item 5 - Year End Financial Statements & Fourth Quarter Financial Report with the External Auditor.

**7. DATE OF NEXT MEETING – TBD**

**8. ADJOURNMENT**

The meeting adjourned at 11:31 a.m.

Eric Bowdridge  
Legislative Assistant