



**AUDIT COMMITTEE
MINUTES
June 26, 2019**

PRESENT: Councillor Russell Walker, Chair
Councillor Lorelei Nicoll, Vice Chair
Councillor Bill Karsten
Councillor Matt Whitman
Councillor Stephen D. Adams
Bill Rafuse
Brenda Cowell
Mayor Mike Savage, Ex-officio

REGRETS: Councillor Steve Craig

STAFF: Jacques Dubé, Chief Administrative Officer
John Traves, Municipal Solicitor
Jane Fraser, Chief Financial Officer
Krista Vining, Legislative Assistant

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.

The Audit Committee meeting was called to order at 10:04 a.m., and moved into an In Camera (In Private) session at 11:07 a.m. and reconvened at 11:15 a.m. The Committee adjourned at 11:16 a.m.

1. CALL TO ORDER

The Chair called the meeting to order at 10:04 a.m. and introductions were given.

2. APPROVAL OF THE MINUTES – March 27, 2019

MOVED by Councillor Whitman, seconded by Councillor Adams

THAT the minutes of March 27, 2019 be approved as circulated.

MOTION PUT AND PASSED.

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

MOVED by Councillor Nicoll, seconded by Councillor Whitman

THAT the order of business be approved as presented.

MOTION PUT AND PASSED.

4. BUSINESS ARISING FROM THE MINUTES – NONE

5. CALL FOR DECLARATION OF CONFLICT OF INTERESTS – NONE

6. STAFF REPORT – Audit Plan for the Consolidated Financial Statements of HRM

The following was before the Audit Committee:

- A staff recommendation report dated June 11, 2019
- A staff presentation entitled: Audited Consolidated Financial Statements March 31, 2019
- A revised presentation from the external auditor entitled: Audit Findings Report for the year end March 31, 2019 dated June 14, 2019

Louis de Montburn, Manager, Financial Reporting presented the Consolidated Financial Statements for the fiscal year ended March 31, 2019, including:

- Management's Responsibility for Financial Statements
- Independent Auditors' Report
- Statement of Financial Position
- Statement of Operations and Accumulated Surplus
- Statement of Change in Net Financial Assets
- Statement of Cash Flows
- Notes to Financial Statements
- Schedules
 - Remuneration of Members of Council and Chief Administrative Officer
 - Long-term Debt
 - Segmented Disclosure

Staff responded to questions on the Municipality's finances for 2018-19.

Carey Blair, CPA, CA, Lead Audit Engagement Partner, KPMG presented their audit findings for year end March 31, 2019.

MOVED by Councillor Nicoll, seconded by Councillor Karsten

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, 2019;**
- 2. The Statement of General Rate Surplus of the Halifax Regional Municipality for the year ended March 31, 2019;**
- 3. Transfers of \$26,056,556, as outlined below, to reduce the general rate surplus to zero:**
 - a. Municipal Elections Reserve, Q511 \$ 700,000**
 - b. Parkland Development Reserve, Q611 \$ 2,000,000**
 - c. Capital Fund Reserve, Q526 \$ 6,000,000**
 - d. General Contingency Reserve, Q421 \$17,356,556**
- 4. Approve an unbudgeted withdrawal from the Halifax Convention Centre Reserve, Q521, in the amount of \$3,617,394 to cover the balance of property taxes owed, net of taxes received;**
- 5. Approve an unbudgeted withdrawal from the General Contingency Reserve, Q421, in the amount of \$238,200 to cover the costs of adding sideguards to the solid waste fleet;**
- 6. The financial statements of the Halifax Regional Municipality Miscellaneous Trust Funds for the year ended March 31, 2019; and,**
- 7. The appointment of KPMG to be the External Auditors for the fiscal year ended March 31, 2020.**

MOTION PUT AND PASSED.

7. IN CAMERA (IN PRIVATE)

Council may rise and go into a private In Camera session, in accordance with Section 19 of the Halifax Regional Municipality Charter, for the purpose of dealing with the following:

7.1 PERSONNEL MATTER – 2018-19 Year End Financial Statements

A matter pertaining to a personnel matter about an identifiable individual/individuals or body with whom the municipality has a direct interest, information whose disclosure could reasonably be expected to prejudice the interests of the municipality or contain private personnel information which is protected under policy or law.

MOVED by Councillor Adams, seconded by Councillor Whitman

THAT the Audit Committee convene to In Camera (In Private) per Section 19(2)(c) Halifax Regional Municipal Charter discussion the 2018-19 year end financial statements with external auditor without management present.

MOTION PUT AND PASSED.

8. DATE OF NEXT MEETING – To be Determined

9. ADJOURNMENT

The meeting adjourned at 11:16 a.m.

Krista Vining
Legislative Assistant