



**AUDIT COMMITTEE
DRAFT MINUTES
August 16, 2023**

PRESENT: Councillor Paul Russell, Chair
Councillor Shawn Cleary
Councillor David Hendsbee
Councillor Iona Stoddard
Councillor Pam Lovelace
Mayor Mike Savage, Ex Officio
Caroline Duchesne

REGRETS: Councillor Cathy Deagle Gammon, Vice Chair
Taiwo Lawal

STAFF: Cathie O'Toole, Chief Administrative Officer
Jerry Blackwood, Executive Director of Finance and Asset Management/Chief
Financial Officer
Chris Giddens, Solicitor III
Annie Sherry, Legislative Assistant
Dorothy Maponga, 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, and information items circulated are online at halifax.ca.

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The meeting was called to order at 10:01 a.m. and moved into an In Camera (In Private) session at 10:54 a.m. The Committee reconvened at 11:05 a.m. and adjourned at 11:16 a.m.

1. CALL TO ORDER AND LAND ACKNOWLEDGEMENT

The Chair called the meeting to order at 10:01 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 23, 2023

MOVED by Councillor Lovelace, seconded by Councillor Stoddard

THAT the minutes of March 23, 2023 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 Mayor Savage, seconded by Councillor Cleary

THAT the agenda be approved as presented.

MOTION PUT AND PASSED.

4. BUSINESS ARISING OUT OF THE MINUTES

5. YEAR END FINANCIAL STATEMENTS & FOURTH QUARTER FINANCIAL REPORT

The following was before the Committee:

- Staff report dated August 3, 2023
- Staff presentation dated August 16, 2023
- Presentation dated August 8, 2023

Jerry Blackwood, Executive Director of Finance and Asset Management/Chief Financial Officer, and David Harley, Director of Financial Reporting and Accounting gave a presentation and responded to questions of clarification from the Committee.

MOVED by Councillor Lovelace, seconded by Councillor Cleary

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, 2023;**
- 2. The Statement of General Rate Surplus of the Halifax Regional Municipality for the year ended March 31, 2023;**
- 3. Transfer of \$3,079,234 to the Options Reserve, Q421, to reduce the general rate surplus to zero.**

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- 4. The financial statements of the Halifax Regional Municipality Miscellaneous Trust Funds for the year ended March 31, 2023; and,**
- 5. The appointment of KPMG to be the External Auditor for the fiscal year ended March 31, 2024.**
- 6. The Fourth Quarter report for 2022/23 on District Capital, District Activity, Recreation Area Rates, Hospitality Expenses, and Expenses for Reportable Individuals.**
- 7. Approve unbudgeted withdrawals of \$17,480,281 from the Capital Fund Reserve, Q526 to fund a shortfall in CAPPOOL in fiscal 2023/24.**

Blackwood and Harley responded to questions of clarification from the Committee regarding impacts of wildfires, floods, and Hurricane Fiona on the annual budget, and timelines for processing claims and receiving funding from federal Disaster Financial Assistance.

Carey Blair, Lead Audit Engagement Partner, KPMG gave a presentation and responded to questions of clarification from the Committee.

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.

MOVED by Councillor Cleary, seconded by Councillor Stoddard

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

MOTION PUT AND PASSED.

Cathie O'Toole, Chief Administrative Officer, Blackwood, and Harley responded to questions of clarification from the Committee regarding the origin and utility of CAPPOOL, and legislation outlining utility of the risk reserve and options reserve.

The question was called on the main motion:

MOVED by Councillor Lovelace, seconded by Councillor Cleary

THAT the Audit Committee recommend that Halifax Regional Council approve:

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- 2. The Statement of General Rate Surplus of the Halifax Regional Municipality for the year ended March 31, 2023;**
- 3. Transfer of \$3,079,234 to the Options Reserve, Q421, to reduce the general rate surplus to zero.**
- 4. The financial statements of the Halifax Regional Municipality Miscellaneous Trust Funds for the year ended March 31, 2023; and,**
- 5. The appointment of KPMG to be the External Auditor for the fiscal year ended March 31, 2024.**

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- 6. The Fourth Quarter report for 2022/23 on District Capital, District Activity, Recreation Area Rates, Hospitality Expenses, and Expenses for Reportable Individuals.**
- 7. Approve unbudgeted withdrawals of \$17,480,281 from the Capital Fund Reserve, Q526 to fund a shortfall in CAPPOOL in fiscal 2023/24.**

MOTION PUT AND PASSED.

6. IN CAMERA (IN PRIVATE) – NONE

7. DATE OF NEXT MEETING – To be determined

8. ADJOURNMENT

The meeting adjourned at 11:16 a.m.

Annie Sherry
Legislative Assistant