

A regular meeting of the Middleton Audit Committee was held at the Town Hall on Friday, December 6<sup>th</sup>, 2024, at 11:30am.

**PRESENT**

Chairing the meeting, Councillor Bernadette Knapp, Councillor Sandra Fournier, Resident Sylvester Atkinson, Dao Bui, Patricia Leslie (via Teams), CAO Ashley Crocker, Finance Director Brigitte Stennett; and Recording Secretary, Dayle Crook, Josephine Wieczorek, BDO Canada (via Teams)

Regrets, Erica McCurdy, BDO Canada

**CALL TO ORDER**

Chair Councillor Knapp called the meeting to order at 11:32am

**1. APPROVAL OF AGENDA**

**241206.01** It was moved and seconded to approve the agenda as circulated. **Motion carried.**

**2. APPROVAL OF THE MINUTES**

**241206.02** It was moved and seconded to approve the minutes of May 27<sup>th</sup>, 2024, as presented. **Motion carried.**

**3. NEW BUSINESS**

**3.1 Introduction of new members**

Chair Councillor Knapp introduced new members: Residents Sylvester Atkinson, Dao Bui, and Patricia Leslie.

**3.2 Code of ethics and Committees of Council Policies**

Chair Councillor Knapp and Director of Finance Brigitte Stennett provided overview of Code of Ethics and Committee of Council Policies, attestation forms signed by new members.

**4. Draft 2023-24 Financial Statements – Director of Finance – Brigitte Stennett**

Director of Finance – Brigitte Stennett gave an overview of the 2023-2024 Audited Financial Statement for the Town of Middleton.

Of noted included:

- Overview of variance analysis performed between audited Consolidated Financial Statements and 2023-24 budgets approved by Council.
- Overview of variance analysis performed between audited financial statements and 2023-24 budgets approved by Council for Town General (Operating) Fund.
- Overview of variance analysis performed between audited financial statements and 2023-24 budgets approved by Council for Water Utility Fund.

**241206.03** It was moved and seconded to recommend that Council approve the 2023-2024 Audited Financial Statements for the Town of Middleton, for the fiscal year ending March 31<sup>st</sup>, 2024, as presented. **Motion carried.**

## 5. Draft 2023-24 Audit Report – BDO – Josephine Wiczorek

### 5.1 Audit Report

Josephine Wiczorek of BDO gave an overview of the audit report, noting new standards and changes to audit process, the financial position of the Town, and answered questions.

Of noted included:

- Overview of process – materiality of \$115,000 – expenditures used as a benchmark/threshold (concept, lower value than 5% of materiality for error threshold) – nothing found above this threshold/added to the unadjusted difference schedule or adjusted difference schedule.
- No concern regarding fraud.
- Review of significant risks was performed.
- Statement of independence of auditors.
- Review of the status of the audit- Cannot issue the final statements until approved by Council.
- Internal control matters review – no control deficiencies – Management Letter still issued with considerations to be made.

### 5.2 Management Letter

Josephine Wiczorek of BDO reviewed the Management Letter and answered questions.

Finance Director noted that Bank Transaction daily limits have now been reduce for security reasons, there are dual authorizations on all financial processes, except for two: payroll and payables which require prior approval by management.

CAO Crocker raised that there is a Council meeting December 16<sup>th</sup>, 2024 – all applicable documentation from auditors to be completed by December 20<sup>th</sup>, 2024, in order to bring before Council for approval of the audited Financial Statements as at March 31, 2024.

Director of Finance Brigitte Stennett presented a breakdown of audit fees as issued by BDO Canada LLP, isolating and noting all items resulting in a variance between budgeted and actual costs.

**241206.04** It is moved and seconded that the Audit Committee accept the 2023-24 Audit Report as presented. **Motion carried.**

**241206.05** It is moved and seconded that the Audit Committee accept the 2023-24 Management Letter as presented. **Motion carried.**

## 6. DATE FOR NEXT MEETING

Next meeting to be determined.

7. **ADJOURNMENT**

Chair Councillor Knapp noted thanks to Management, staff, and auditors.

It was moved to adjourn at 12:25pm.

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Councillor Bernadette Knapp, Chair

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Dayle Crook, Recording Secretary

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