



WEST HANTS REGIONAL MUNICIPALITY
Audit Committee – Meeting Agenda
July 29th, 2026, 6:00 p.m.
Council Chambers, 76 Morison Drive

1. Call to Order
2. Declaration(s) of Conflict of Interest
3. Announcements
4. Presentation of Agenda, including additions or deletions
5. Presentation of Minutes
 - a.) June 17, 2026
6. Presentation
 - a.) Audit Plan Presentation from BDO Canada
7. Unfinished Business
 - a.) Review of Terms of Reference
8. Director's Update
 - a.) Financial Update as of March 31st, 2026
9. Correspondence
 - a.) Utility Matters
10. Public Comment
11. Date of Next Meeting
12. Adjournment



WEST HANTS REGIONAL MUNICIPALITY
Audit Committee Meeting Minutes
July 29th, 2026, 6:00 p.m.
Council Chambers, 76 Morison Drive, via Zoom & Livestreamed on YouTube

Present:	Abraham Zebian	Mayor
	Rupert Jannasch	Councillor, District 1
	Paul Wheadon	Councillor, District 4
	Jim Ivey	Councillor, District 11
	Nicole Hubley	Resident Member
	Vicki Robertson	Resident Member
	Lauchlin Mackenzie	Resident Member
	Carlee Rochon	Director of Financial Services
	Mark Phillips	Chief Administrative Officer (CAO)
	Chelsea Woodman	Admin Assistant, Financial Services

1. Call to Order – Mayor Zebian called the meeting to order at 6:05 p.m.
2. Declaration(s) of Conflict of Interest – No declarations
3. Announcements – Land acknowledgement
4. Approval of Agenda, including additions or deletion
Approved as presented.
5. Approval of June 17, 2026, Minutes, including additions or deletions
Approved as presented.
6. **Presentation**
 - a.) Audit Plan Presentation from BDO Canada

Lauren Vail thanked the committee for selecting BDO Canada to be the new auditors for West Hants and advised that they have a tight timeline this year for the audit to be completed but assured that she has a strong team to take on this process.

Purpose and Scope

- Outlining the approach, significant risks, and terms of engagement for the 2026 consolidated financial statement audit.
- The audit aims to provide reasonable assurance that the financial statements are free from material misstatement due to fraud or error.

Audit Team

- **Lauren Vail, CPA, CA:** Engagement Partner, leads the audit and is the main contact.
- **Nicole LaPorte, CPA:** Engagement Project Manager, oversees planning and field staff.
- **Ryan DeGooyer, CPA:** Senior Auditor, manages day-to-day audit execution.
- The team confirms their independence from the Municipality.

Auditor's Responsibilities

- Plan and perform the audit using risk assessment and materiality.
- Evaluate evidence for significant balances, disclosures, and estimates.
- Identify and assess fraud risks, including management override of controls.
- Communicate significant findings and any identified or suspected fraud to the Audit Committee.
- Management is responsible for preparation, internal controls, and fraud prevention/detection.

Materiality

- Overall materiality is set at \$900,000 (2.5% of budgeted revenue), with performance materiality at \$720,000 and a threshold of \$45,000.
- For the West Hants Water Utility, materiality is \$115,000 (2.5% of utility revenues).

Audit Approach and Timeline

- A combined approach is used, with reliance on control testing where possible. No issues were noted in the control environment during planning.

Key Audit Risks Identified

- Management override of control
- Recognition of taxation revenue
- Long-term debt
- Tangible capital assets
- Recognition of government transfers
- Consolidation process

- For the Water Utility: existence and valuation of utility assets, accuracy of cash, and recognition of water sales

Upcoming Changes in Financial Reporting

- Implementation of Section PS 1202 – Presentation of Financial Statements, effective for periods beginning on or after April 1, 2026.
- New requirements include a Statement of Net Financial Assets (Liabilities) and changes to how liabilities and net assets are presented.
- Disclosure is required if budget information is not prepared or approved.

Lauren Vail clarified that on a standard audit report issued fraud prevention and detection is the responsibility of management. To ensure that there are proper policies and controls in place to monitor is the responsibility of those charged with governance to make sure those policies exist and being monitored by management. The audit committee role is to understand the internal controls and make sure management is following them and that any issues are reported to the committee.

Resident member Lauchlin Mackenzie raised a question when looking at the tangible capital assets risks asking if this included deferred maintenance. Lauren replied they won't look at it in tangible capital assets instead they would investigate reserve funds.

Councillor Ivey questioned if unbilled water would be recognized as part of the audit. Lauren assured that it would be, and they would ensure that water sales are being billed as earned not necessarily when billed.

Lauren Vail concluded her presentation.

7. Unfinished Business

a.) Review of Terms of Reference

The current Terms of Reference were circulated to the committee for review and feedback for revision.

Councillor Ivey noted that the Terms of Reference circulated varied from the meeting and procedural policy, also adding that a reconciliation will need to take place including the numbers of councillors and resident members.

Director Rochon noted prior to committee and procedural policy changes the audit committee and a number of other committees had a separate policy. She offered that the policy piece was absorbed as an appendix into the committee and procedural policy, however the committee still had their own Terms of Reference. The Terms of Reference have been reviewed a few times since created in 2023. The

member and composition section will need an update. Director Rochon looked for any other feedback from the committee to revise and bring back for review.

Resident member Lauchlin Mackenzie suggested revising the section on the RFP selection process due to concerns from the committee at the last meeting. Director Rochon noted that the terms of reference were in compliance with the Municipal Government Act (MGA). The Audit Committee will review the performance of the auditors each year which is required and outlined in the Terms of Reference.

Resident member Vicki Robertson agreed with Resident member Lauchlin Mackenzie that the next RFP selection process should be handled differently. It was suggested to begin with an in-camera meeting with all the details of the recommendation to allow the committee to feel comfortable making the recommendation or choosing to select an alternative option.

Councillor Jannasch suggested changing some of the language on the Terms of Reference to help alleviate the anxiety associated with the liability and responsibilities of the committee.

Mayor Zebian felt it would be best to have the director revise the Terms of Reference to include everyone's feedback and share with the committee.

Councillor Ivey shared some concerns with the annual reviewing of the auditors noting that the committee won't be able to see anything other than the final report, which would make it difficult to review.

8. Director's Update

a.) Financial Update as of March 31st, 2026

Director Rochon reviewed the report that had been circulated and pointed out that anything in the far forecast column that is considered red is still being finalized and the numbers may change, administration work and transfers from reserves is still in progress. She noted anything highlighted in brown is over budget but explainable and has been investigated.

Key Takeaways:

- As of March 31, revenues are projected to be 3.9% above budget.
- expenses are projected to be 2.8% above budget.
- The General Fund is expected to report a surplus of approximately \$398,28.
- Since the previous reporting period, the projected surplus has remained stable, changing by less than 1% (0.9%).
- Compared with the same period ending March 31, 2025, revenues in 2026 are 0.3% lower, while expenses are 3.5% higher. J-class roads are included, which are not an owed asset of the Municipality but are used to do work on provincial roads on a cost sharing budget which runs through the transportation line, the province was billing for this years work rather than last years.

Key revenue variances include the following:

- Sewer revenue is higher than budget, consistent with metered consumption data.
- Sales of services are above budget due to increased program participation and higher community centre rental revenue.
- Services provided to other governments are above budget due to higher revenue from host Tipping fees and Circular Materials.
- Deed transfer tax revenue is above budget due to a higher volume of property sales between September and November.
- Transfers from other levels of government are above budget, mainly because additional Grant funding was received.
- Other revenue is above budget, largely due to increased interest and penalties on outstanding balances.
- Grants in Lieu funding is above budget because of the property assessment growth.

Key expenditure variances include the following:

- Environmental health services expenditures are projected to be above budget due to higher costs for sewer operations, administration, and waste collection.
- Net transfers are above budget, primarily due to a reassessment of the Asset Retirement Obligation. This increase is partially offset by lower use of the Housing Accelerator Fund and Home Flood Protection Program.
- Transportation expenditures are above budget due to higher J-Class Roads costs, which are offset by a transfer from reserves.
- Planning expenditures are below budget due to staffing changes and lower spending on Climate Action initiatives, including the Home Flood Protection Program and the Climate Action Committee work plan.

Director Rochon concluded her overview and proceeded to answer questions from the committee.

Councillor Wheadon noted that the first line in the budget showed that taxes are almost half a million dollars off budget. Director Rochon explained that this is due to assessment changes and a small estimate is done for these changes in the budget, she shared there were two significant changes in nature of their assessment and adjustment. The other part would be from adjustments done throughout the year as per PVSC.

Councillor Ivey suggested changing the report formulas to allow for an easier interpretation.

Resident member Vicki Robertson asked if the successful appeal percentage is tracked. Director Rochon responded that not many assessment appeals are received, mostly weekly assessment change reports are received from PVSC.

Resident member Lauchlin Mackenzie noted a variance in services provided to other government agencies the forecast is different than the year to date. Director Rochon shared that this area is still under investigation pending a journal entry from the courthouse. She noted that the courthouse is currently showing negative revenue due to an accrual for accounts receivable which had been reversed as of April 1st. She confirmed that the negative will disappear once the journal entry is added.

9. Correspondence
 - a.) Utility Matter
10. Public Comment

Rick Smith a resident of Windsor has raised concerns on utility matters and procurement processes. He has included in his correspondence 5 briefs relating to financial and operation issues with the water and sewer utilities. He noted his main concern is incorrect utility billing resulting in lost revenue to the Municipality. He asked the committee to review the correspondence and raise any questions.
11. Date of Next Meeting – September
12. Adjournment

The meeting was adjourned at 7:37 p.m.

X

Committee Chair