

# Minutes of the Finance + Audit Committee Meeting

March 4, 2020 > 2:30 p.m. – 3:30 p.m.  
Guelph Trillium Room

**Present:** Chris White (Chair), Christine Billings, Rodrigo Goller, Ralph Manktelow and Lambert Otten.

**Regrets:** George Bridge.

**Staff:** Dr. Nicola Mercer, David Kingma, Chris Beveridge, Rob Cunnington and Sylvia Muir (Recorder).

**Guests:** Matthew Betik and Brendan Hall, KPMG (Auditors).

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## 1. Call to Order

C. White (Chair) called the meeting to order at 2:30 p.m.

## 2. Disclosure(s) of Pecuniary Interest

There were no declarations of conflicts identified.

## 3. Presentation(s)

KPMG Audit Planning Report for Year-Ending December 31, 2019
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C. White welcomed M. Betik and B. Hall, Auditors, from KPMG.

The Auditors commenced review of the KPMG Audit Planning Report document for the year-ending December 31, 2019, which is a high-level audit plan for the year. Auditor briefly reviewed pages 1-14 and made notes with respect to the following points:

- Page 3 – Executive Summary – KPMG is independent and, therefore, they have no invested interest in WDGPH.
- Audit provided at WDGPH is relied upon by the Counties of Wellington and Dufferin and the City of Guelph.
- Page 4 – Audit Approach - Fraud Risk - Auditors will be performing control tests to ensure there are no intentional misrepresentations that come from revenue recognition and from management override of controls (looking at journal entries).
- Page 5 – Audit Focus – Tangible Capital Assets, Payroll Expenses, Accounts Payable and Cash.
- Page 6 – Materiality - \$33,750 (Audit Misstatement Posting Threshold) is the threshold used to accumulate misstatements identified during the audit. Any item is subject to testing. Materiality is based on the last years revenue.
- Page 9 – Audit Cycle and Timetable. Audit field work at WDGPH starts the week of March 10, 2020.

- Pages 11-14 - Appendices: (Appendix 1) – Audit Quality and Risk Management; (Appendix 2) – KPMG’s Audit Approach and Methodology; (Appendix 3) – Required Communications; and (Appendix 4) - Current Developments – Asset retirement obligations will come into effect April 1, 2021.

**4. Closed Session #1**

- Discussion between Auditors and Finance + Audit Committee.

(2:42)

**MOTION: “To move into Closed Session for discussion with Auditors without the presence of WDGPH Management [personal matters about an identifiable individual, including BOH employees].”**

**Moved:**

**C. Billings**

**Seconded:**

**R. Goller**

**CARRIED**

# Finance + Audit Committee Meeting

March 4, 2020 > 2:30 p.m. – 3:30 p.m.

Guelph Trillium Room

## **CLOSED SESSION #1**

**Present:** Chris White (Chair), Christine Billings, Rodrigo Goller, Ralph Manktelow and Lambert Otten.

**Regrets:** George Bridge.

**Staff:** Sylvia Muir (Recorder) - No WDGPH Management.

**Guest(s):** Matthew Betik and Brendan Hall, KPMG (Auditors).

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**CLOSED SESSION MINUTES TO BE PROVIDED UNDER SEPARATE COVER.**

(2:48) WDGPH Management/Staff returned to Open Session meeting. Auditors left meeting.

Committee approval was provided to reorder the Agenda allowing Dr. Tenenbaum to review Finance + Audit Committee Report BH.04.MAR0420.R03 – 2020 Annual Service Plan & Budget Submission as he needs to attend a teleconference.

**BH.04.MAR0420.R03 – 2020 Annual Service Plan & Budget Submission**

Dr. Mercer introduced and Dr. Tenenbaum reviewed Finance + Audit Committee Report BH.04.MAR0420.R03 in conjunction with his PowerPoint Presentation, as follows:

- The Ministry of Health introduced the Annual Service Plan & Budget Submission approximately three (3) years ago. Document allows linkages to the Standards and allows Public Health Units to demonstrate that they are using funds appropriately.
- This is the second year that reporting has been conducted in this format.
- The 2020 Annual Service Plan & Budget Submission (192 pages) is posted on DiliTrust Exec.
- Accountability Framework – Organizational requirements incorporate one or more of the following functions: (i) monitoring and reporting; (ii) continuous quality improvement; (iii) performance improvement; (iv) financial management; and (v) compliance.
- The Accountability Framework is supported by: (i) Accountability Documents; (ii) planning documents; and (iii) reporting documents.
- Annual Service Plan Objectives include: (i) describe the complete picture of the programs and services being delivered by boards of health within the context of the Standards; (ii) demonstrate that board of health programs and services align with the priorities of their communities, as identified in their population health assessment; (iii) demonstrate accountability for planning; and (iv) demonstrate the use of funding per program and service.
- Next Steps – Annual Service Plan is due to the Ministry on March 2, 2020. Spring 2020 – Ministry to confirm 2020 allocations/adjustments to funding.

**(a) MOTION: “That the Finance + Audit Committee makes recommendation to the Board of Health to approve the 2020 Annual Service Plan & Budget Submission, as presented.”**

**Moved: C. Billings**  
**Seconded: R. Manktelow CARRIED**

Remainder of Finance + Audit Committee Reports to take place under #8, below.

**5. Approval of Minutes**

- Finance + Facilities Committee Minutes from Meeting of November 6, 2019.
- Audit Committee Minutes from Meeting of June 5, 2019.

**MOTION: “To approve the Finance + Facilities Committee Minutes of November 6, 2019 and the Audit Committee Minutes of June 5, 2019, as presented.”**

**Moved: R. Goller**  
**Seconded: L. Otten CARRIED**

**6. MOH Update(s):**

- None.

**7. Terms of Reference**

- The Terms of Reference were reviewed for the newly combined Finance + Audit Committee. The document is a combination of the previous Audit and the Finance + Facilities Committees Terms of Reference.

**(a) MOTION: “That the Finance + Audit Committee makes recommendation to the Board of Health to approve the Finance + Audit Committee Terms of Reference, as presented.”**

**Moved: C. Billings**  
**Seconded: L. Otten** **CARRIED**

**8. Finance + Audit Committee Report(s):**

**BH.04.MAR0420.R01 – 2019 Fourth Quarter Financials**

D. Kingma introduced and R. Cunnington reviewed Finance + Facilities Committee Report BH.04.MAR0420.R01:

- As reported on Appendix 1, WDGPH has a small positive variance of \$59,274, which was predicted in the 2019 Third Quarter Financials.

**(a) MOTION: “That the Finance + Audit Committee makes recommendation to the Board of Health to receive Finance + Audit Committee Report BH.04.MAR0420.R01 – 2019 Fourth Quarter Financials, as presented, for information.”**

**Moved: C. Billings**  
**Seconded: L. Otten** **CARRIED**

**BH.04.MAR0420.R02 – Reserves and Reserve Funds Status as at December 31, 2019**

D. Kingma introduced and R. Cunnington reviewed Finance + Audit Committee Report BH.04.MAR0420.R02:

- WDGPH has both Reserve Funds and Reserves.
- At the time the Guelph and Orangeville buildings were built, an independent third party (Altus Group Limited) was hired to develop a Reserve Fund Plan identifying adequate funding to be placed in reserve funds to manage future repair and maintenance of the buildings without having to ask the Obligated Municipalities for monies.
- WDGPH is recommending that an updated Reserve Fund Study be conducted to determine how much should be placed in our reserve funds in response to WDGPH’s evolving operating context.

**(a) MOTION: “That the Finance + Audit Committee makes recommendation to the Board of Health to receive Finance + Audit Committee Report BH.04.MAR0420.R02 – Reserves and Reserve Funds Status as at December 31, 2019, as presented, for information.”**

**Moved: R. Goller  
Seconded: R. Manktelow CARRIED**

**(b) MOTION: “That the Finance + Audit Committee makes recommendation to the Board of Health to approve the transfer of the \$59,274 Cost-Shared Mandatory Programs surplus to the Contingency Reserve Fund.”**

**Moved: R. Goller  
Seconded: R. Manktelow CARRIED**

**(c) MOTION: “That the Finance + Audit Committee makes recommendation to the Board of Health to approve the initiation of an updated Reserve Fund Study in response to the evolving operating context of the organization.”**

**Moved: R. Goller  
Seconded: R. Manktelow CARRIED**

**9. Closed Session #2**

- Closed Session Finance + Audit Committee Report BH.04.MAR0420.R04 – 2020 One-Time Grants [a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality of local board].

(3:15)

**MOTION: “To move into Closed Session to review Closed Session Finance + Audit Committee Report BH.04.MAR0420.R04 – 2020 One-Time Grants [a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board].”**

**Moved: L. Otten  
Seconded: R. Manktelow CARRIED**

**Finance + Audit Committee Meeting**  
**March 4, 2020 > 2:30 p.m. – 3:30 p.m.**  
**Guelph Trillium Room**

**CLOSED SESSION #2**

**Present:** Chris White (Chair), Christine Billings, George Bridge, and Nancy MacDonald and Ralph Manktelow.

**Regrets:** George Bridge.

**Staff:** Dr. Nicola Mercer, David Kingma, Chris Beveridge, Rob Cunnington and Sylvia Muir (Recorder).

**Guest(s):** NONE.

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**CLOSED SESSION MINUTES TO BE PROVIDED UNDER SEPARATE COVER.**

**(3:32) Returned to Open Session**

**MOTION: “To Ratify the Closed Session Decisions of the March 4, 2020 Finance + Audit Committee meeting.”**

**Moved: C. Billings**  
**Seconded: R. Goller** **CARRIED**

*Motion(s) brought forward from Closed Session:*

**(a) MOTION: “That the Finance + Audit Committee makes recommendation to the Board of Health to receive Closed Session Finance + Audit Committee Report BH.04.MAR0420.R04 – 2020 One-Time Grants, as presented, for information.”**

**Moved: C. Billings**  
**Seconded: R. Goller** **CARRIED**

**10. Next Meeting:**

- (Wed) April 1, 2020 @ 2:30 p.m.

**11. Adjournment**

The meeting was adjourned at 3:35 p.m.

**MOTION: “To adjourn meeting”.**

**Moved: C. Billings**  
**Seconded: L. Otten** **CARRIED**