

Minutes of the Finance + Audit Committee Meeting

May 11, 2020 > 10:30 a.m. – 11:30 a.m.

Virtual (Zoom) Meeting

Present: Chris White (Chair), Christine Billings, George Bridge, Rodrigo Goller and Ralph Manktelow.

Regrets: NONE.

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

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

1. Call to Order

C. White (Chair) called the meeting to order at 10:30 a.m. and welcomed M. Betik and B. Hall, Auditors, from KPMG.

2. Disclosure(s) of Pecuniary Interest

There were no declarations of conflicts identified.

3. Approval of Minutes

MOTION: “To approve the Finance + Audit Committee Minutes of March 4, 2020, as presented.”

Moved: R. Goller
Seconded: G. Bridge

CARRIED

4. Presentation(s)

WDGPH Staff Summary Presentation of 2019 Audit Findings for BOH

The WDGPH Staff Summary Presentation was reviewed in conjunction with Finance + Audit Committee Report BH.04.MAY1120.R05 – 2019 Draft Audited Financial Statements (Item #5 on the Agenda).

Dr. Mercer reminded the Committee that WDGPH’s Fourth Quarter Financials were presented at the March 4, 2020 Finance + Audit Committee and BOH meetings, respectively, wherein it was reported that WDGPH had a very small positive variance of \$59,274. The Draft Audited Financial Statements for the year-ended December 31, 2019, presented today, will look different as they are based on the accrual method of accounting verses the cash method for the quarterly financials.

D. Kingma introduced WDGPH's PowerPoint Presentation:

- Preparing for this year's audit was particularly challenging due to the current environment (COVID-19 Pandemic), internal financial software (SAGE) vulnerabilities and the impact of unexpected staff leaves.

R. Cunningham commenced an overview of the PowerPoint Presentation including:

- Reviewed Timelines.
- Statement of Operations and Accumulated Surplus - Ontario Seniors Dental Program was new for 2019. WDGPH paid-out a large lump sum to the 3 Obligated Municipalities in August 2019. Surplus of \$804,000. Surplus balance is different (Audited Financials vs. Q4 Financials) based on accrual vs cash method accounting.
- Statement of Financial Position (balance sheet) – noted changes in balances of various items from 2018 to 2019 (e.g. cash reduced by \$5 Million and long-term debt reduced by \$6 Million).
- Tangible Capital Assets – noted capitalized items (e.g. Orangeville office renovation, upgrades to telephone system; and ERP System implementation costs).
- Next Steps – timelines were noted for approval of Audited Financial Statements and follow-up work to complete necessary Report to Ministry of Health (due date for the Annual Reconciliation Return to the Ministry of Health for 2019 has been delayed until further notice due to COVID-19 Response).

(a) MOTION: “That the Finance + Audit Committee makes recommendation to the Executive Committee to receive WDGPH Staff Summary Presentation of 2019, as presented.”

Moved:

C. Billings

Seconded:

R. Manktelow

CARRIED

KPMG Audit Findings Report (2019) for WDGPH

M. Betik and B. Hall, Auditors, provided information with respect to KPMG's Audit Findings Report (2019) and reviewed the following:

- There were no changes to the Audit Plan that KPMG previously presented at the March 4, 2020 Finance + Audit Committee meeting.
- KPMG is in a position to table a “clean audit” to the BOH.
- (Pages 3 + 4) Executive Summary – No issues identified.
- (Page 5) Financial Highlights – Total surplus (annual revenues over expenditures), long-term debt, tangible capital assets and cash flows were reviewed. No issues identified.
- (Page 6) Audit Risks and Results – No issues identified.
- (Pages 7 – 9) Other Areas of Focus – Tangible Capital Assets, Payroll Expenditures, Cash, Long-Term Debt, Revenue, Expenses = No issues identified. Payables & Accruals – Auditors did note one finding of \$50,000 regarding the MaRs Challenge Awarded Prize Monies that was recorded as deferred revenue. KPMG has recorded an uncorrected difference for Fiscal 2019 with the impact of the uncorrected difference being reversed in Fiscal 2020. Financial Statement Preparation.
- Page 10 – Significant accounting Policies and Practices – no differences were noted.
- Page 11 – Audit Adjustments and Differences – No issues identified.

(a) MOTION: “That the Finance + Audit Committee makes recommendation to the Executive Committee to receive the KPMG Audit Findings Report for Year-Ended December 31, 2019, as presented.”

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

5. Finance + Audit Committee Report(s):

BH.04.MAY1120.R05 – 2019 Draft Audited Financial Statements

D. Kingma reiterated that the Financial Statements have been addressed by both WDGPH and KPMG above (Agenda item #4).

(a) MOTION: “That the Finance + Audit Committee makes recommendation to the Executive Committee to receive and approve the Draft Audited Financial Statements, as presented in Appendix “A” of Finance + Audit Committee Report BH.04.MAY1120.R05 – 2019 Draft Audited Financial Statements.”

Moved: G. Bridge
Seconded: R. Goller **CARRIED**

6. Closed Session

- Approval of Closed Session Finance + Audit Committee Minutes of March 4, 2020.
- Discussion between Auditor and Finance + Audit Committee, without the presence of WDGPH Management. S. Muir (Recorder) to remain for Closed Session [personal matters about an identifiable individual, including BOH employees].

(11:09)

MOTION: “To move into Closed Session to approve the Closed Session Finance + Audit Committee Minutes of March 4, 2020; and for Committee participation in 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
May 11, 2020 > 10:30 a.m. – 11:30 a.m.
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CLOSED SESSION

Present: Chris White (Chair), Christine Billings, George Bridge, Rodrigo Goller and Ralph Manktelow.

Regrets: NONE.

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

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

CLOSED SESSION MINUTES TO BE PROVIDED UNDER SEPARATE COVER.

(11:14) Returned to Open Session

(11:17) WDGPH Management/Staff returned to Open Session meeting.

MOTION: “To Ratify the Closed Session Decisions of the May 11, 2020 Finance + Audit Committee meeting.”

Moved: G. Bridge
Seconded: C. Billings **CARRIED**

Motion(s) brought forward from Closed Session:

MOTION: “To approve the Closed Session Minutes of the Finance + Audit Committee meeting of March 4, 2020, as presented.”

Moved: G. Bridge
Seconded: C. Billings **CARRIED**

- 7. Next Meeting:**
• (Wed) June 3, 2020 @ 2:30 p.m.

- 8. Adjournment**
The meeting was adjourned at 11:20 a.m.

MOTION: “To adjourn meeting”.

Moved: C. Billings
Seconded: G. Bridge **CARRIED**