



Town of Newmarket

Minutes

Audit Committee

Date: Tuesday, June 15, 2021
Time: 1:00 PM
Location: Electronic VIA ZOOM
See How to Login Guide

Members Present: Michael Tambosso, Chair
Deputy Mayor & Regional Councillor Vegh, Vice-Chair
Councillor Bisanz
Rebecca Mathewson

Members Absent: Councillor Morrison
Tom Mungham

Staff Present: J. Sharma, Chief Administrative Officer
E. Armchuk, Commissioner of Corporate Services
M. Mayes, Director of Financial Services/Treasurer
A. Tang, Manager of Finance and Accounting
L. Peppiatt, Acting Chief Executive Officer, Newmarket Public Library
K. Saini, Deputy Clerk
J. Grossi, Legislative Coordinator

Guests: Pina Colavecchia, Deloitte
Farha Abdallah, Deloitte
Katie Polino, Internal Auditor, York Region
Michelle Morris, Internal Auditor, York Region

The meeting was called to order at 1:00 PM. Michael Tambosso in the Chair.

1. Additions and Corrections to the Agenda

Michael Tambosso advised that he would provide an update following the presentation to Council at the Council Workshop.

The Deputy Clerk advised that a correction was made to the agenda to record the open and closed minutes from October 19, 2020 as separate items on the agenda.

2. Conflict of Interest Declarations

None.

3. Approval of Minutes

3.1 Audit Committee Meeting Minutes of October 19, 2020

A correction was made to item 5.1 regarding the process for reporting IT controls to the Audit Committee.

Moved by: Rebecca Mathewson

Seconded by: Deputy Mayor & Regional
Councillor Vegh

1. That the Audit Committee meeting minutes of October 19, 2020 be approved, **as amended**.

Carried

3.2 Audit Committee (Closed Session) Meeting Minutes of October 19, 2020

Moved by: Rebecca Mathewson

Seconded by: Deputy Mayor & Regional
Councillor Vegh

1. That the Audit Committee (Closed Session) meeting minutes of October 19, 2020 be approved.

Carried

4. Items

4.1 Review of 2020 Financial Statements

Andrea Tang, Manager of Finance and Accounting provided a presentation to the Committee and outlined the impacts of the Pandemic on the Town's operations. She highlighted other aspects of the 2020 Financial Statements, including long term debt, revenue sources, and expenses.

Members queried staff with respect to long term debt and the corresponding notes within the Town's Financial Statements. Clarity was sought regarding the notes within the Financial Statements, and Members made suggestions to provide additional clarification.

4.2 Report to the Audit Committee by the External Auditor

Pina Colavecchia, Deloitte, provided a presentation to Committee on the 2020 Financial Statement audit. She highlighted the scope of the audit, how to navigate the Auditor's report, areas of audit risk in accordance with the Auditor's workplan, and other reportable matters.

It was noted that the Audit Committee does not have oversight over the audited Financial Statements for the Newmarket Public Library.

4.3 Town of Newmarket Consolidated Financial Statements

Moved by: Councillor Bisanz

Seconded by: Deputy Mayor & Regional
Councillor Vegh

1. That the Audit Committee recommends to Council that the Consolidated Financial Statements of The Corporation of Town of Newmarket for the year ended December 31, 2020 be approved, **as amended**; and,
2. That the Audit Committee recommends to Council that the Financial Statements of Town of Newmarket Main Street District BIA for the year ended December 31, 2020 be approved.

Carried

4.3.1 Town of Newmarket Consolidated Financial Statements Report

4.3.2 Town of Newmarket Main Street District Business Improvement Area Financial Statements

4.3.3 Financial Statement Discussion and Analysis (FSD&A)

4.4 Audit Committee Involvement in Auditor Selection Process

The Commissioner of Corporate Services provided an overview of the auditor selection process and procurement rules, as well as legal advice that the Town received in relation to procurement. She noted that the Town will lead the next cooperative purchase process with the northern six municipalities and that each participating municipality will be required to select the same vendor based on a consensus.

It was noted that the Audit Committee can review the Request for Proposal documents and the scope of the audit; however, the Committee cannot be involved in the selection or evaluation process of the auditor selection. Discussion ensued regarding the Audit Committee's mandate with respect to the selection of an external auditor. The Audit Committee will conduct benchmarking and analysis before determining next steps, if any.

4.5 Update on Internal Audit Activities

Katie Paulino and Michelle Morris provided a presentation to the Committee, which included an introduction to themselves and the services they provide, the work that has been completed since 2018, including a procurement audit review, roads audit, and the Northern 6 municipalities in York Region review of work from home practices. It was noted that a procurement audit is scheduled for winter 2021/2022.

Members queried the internal auditors with respect to how the audit plan is developed, and how risk categories are identified. Members sought clarity regarding their role in developing and approving the workplan for the internal auditors as well as the interaction between the internal and external audits.

5. New Business

5.1 Recap from June 7, 2021 Council Workshop for Advisory Committees

Michael Tambosso provided an update to Committee on the presentation he delivered to Council on June 7 regarding an update from the Audit Committee. He expressed that Council was grateful and very appreciative for the Committee's work in volunteering their time on the Committee.

6. Closed Session

Audit Committee resolved into Closed Session at 3:21 PM.
Closed Session minutes are recorded under separate cover.
Audit Committee resumed Open Session at 4:17 PM.

Moved by: Deputy Mayor & Regional
Councillor Vegh

Seconded by: Rebecca Mathewson

1. That the Audit Committee resolve into Closed Session to discuss personal matters about identifiable individuals in accordance with Section 239 (2)(b) of the Municipal Act, 2001.

Carried

7. Adjournment

The Audit Committee lost quorum at 4:18 PM and adjourned at 4:23 PM.

Michael Tambosso, Chair

Date