

Minutes of the **ADMINISTRATION and FINANCE COMMITTEE** Meeting held in the Conference Room at the Municipal Hall at 8645 Stave Lake Street, Mission, British Columbia, on Monday, June 21, 2010 commencing at 3:40 pm.

Committee Members Present: Mayor James Atebe  
Councillor Terry Gidda  
Councillor Paul Horn (arrived at 3:55 pm)  
Councillor Danny Plecas  
Councillor Mike Scudder  
Councillor Jenny Stevens  
Councillor Heather Stewart

Staff Members Present: Glen Robertson, chief administrative officer  
Kelly Ridley, deputy director of corporate administration  
Kris Boland, deputy director of finance  
Debi Decker, administrative assistant

Mayor Atebe called the meeting to order, and welcomed Mr. Bill Cox.

## 1. NEW BUSINESS

AF 10/33  
JUNE 21/10

### Report from the Auditor

Mr. Bill Cox the District's auditor from BDO Canada LLP, gave an overview from his audit results and communications report. He advised that due to new Canadian reporting standards, the financial statements have a new look for 2009.

- Higher risk financial statement areas

Mr. Cox noted that some areas of the audit are given more focus, such as accounts payable, tangible capital assets, cash and investments, and staff salaries.

- Audit findings, fraudulent and illegal activities

Auditors are required to report to council anything that appears to be out of sorts during the audit, however, audits procedures are not designed to detect fraudulent or illegal activities.

No fraud or illegal activities were found.

- Audit reporting, materiality

This section is to be discussed with council each year as a requirement of the audit standards. The determination of the materiality number is a matter of professional judgment and was set at \$945,000 for 2009. This year there were no differences between District's financial statements and the audited financial statements, which is unusual, indicating that District staff are doing things very well, especially with the new format for the financial statements.

- Auditor independence

This section is to be communicated with council in that BDO Canada LLP confirms they are independent with respect to the District of Mission.

- Management Letter

This letter details the auditor's primary responsibility, which is to audit the financial statements, and not to check for efficiencies or if certain internal controls are sufficient. However, obvious efficiencies are pointed out as well as suggestions to tighten internal control issues. It was noted that the District had acted upon the five recommendations from the 2008 audit.

1. Retirement allowance: Discussion ensued around the auditor's suggestion to have an independent actuary to calculate the retirement allowance to meet the new standards.
2. Audit report date: auditors are responsible for the financial statements from December 31<sup>st</sup> to the last date audit staff are on site. Mr. Cox advised that due to the new international standards, he is recommending that the financial statements be presented to council earlier than the current practice starting with the 2010 audit.

Discussion ensued around the proposed actuarial expense and the upcoming audit change and whether council could have incorporated into the budget for these added expenditures.

Moved by Councillor Horn, and

RECOMMENDED: That staff report back to council either verbally or a written report, the feasibility of costing the upcoming trends for accounting standards that relate to the auditing of financial statements.

CARRIED

The Mayor thanked Mr. Cox for his report and for attending the meeting.

## 2. ADJOURNMENT


Moved by Councillor Plecas seconded by Councillor Scudder, and

RESOLVED: That the meeting be adjourned.

CARRIED.

The meeting was adjourned at 4:10 pm.

  
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JAMES ATEBE,  
MAYOR

  
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KELLY RIDLEY,  
DEPUTY DIRECTOR OF CORPORATE ADMINISTRATION