



Cape Breton Regional Municipality

Audit Committee Agenda

Wednesday, September 3, 2025
1:00 p.m.

Council Chambers
Second Floor, City Hall
320 Esplanade, Sydney, Nova Scotia

Roll Call

- 1. Approval of Agenda:** (Motion Required)

- 2. Approval of Minutes:** (Previously Circulated)
➤ **June 4, 2025**

- 3. CBRM Audit Committee Governance and Oversight:** Christa Dicks, Municipal Clerk / Director of Corporate Information Services
(See page 3)

- 4. Audit Progress Summary to Date:** Darren Chiasson, CPA, CA – MNP Partner, Business Advisor (See page 13)

Adjournment



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CBRM Audit Committee

Governance & Oversight

Importance of Audit Committees

- Confidence in governance is critical
 - A municipality's product is public trust or the transparency, accountability, and responsiveness to the community
- Audit committees
 - Foster public confidence that a local government is well managed
 - Identifies areas of improvements
 - Supports Council in their decision-making processes, and in their fiduciary duties by making recommendations



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Policy Framework

- Within the Municipal Government Act, audit committee is mandatory
- Responsibilities include:
 - Reviewing financial statements with the auditor
 - Reviewing the adequacy of the audit
 - Meeting at least twice per fiscal year



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Legislative & Policy Framework

- Committee responsibilities include:
 - Reviewing financial statements to be provided to the Province or made public
 - External and/or internal audit activities
 - The system of internal controls, risk management and financial information technology
 - Cash and investment management activities
 - Insurance coverage and significant risks and uncertainties
 - Financial Condition Indicators



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Committee Composition & Independence

- The Committee is structured to ensure independence and financial expertise.
- Membership includes the Deputy Mayor as Chair, four Councillors, and two residents at large who hold professional accounting designations.



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Oversight & Governance

- Oversight refers to the actions taken to review and monitor public sector activities including policies, plans, programs, and projects to ensure they are achieving expected results, represent good value for money, and are in compliance with applicable policies, laws, regulations and ethical standards.
- The audit committee and audit reports help Council to carry out its oversight.



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An Effective Committee

- Actionable oversights
- Improve financial practices and reporting
- Protect against fraud
- Strengthen municipal credibility
- Serves as a link between auditors and Council



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The Purpose of Audits

- Are the financial statements accurate
- Are they in accordance with recognized accounting principles
- Is risk managed in areas of governance, management, IT, and processes
- Are controls adequate



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Additional Resources

- Audit Committee Policy
- CBRM Committees RC4
- CBRM Rules of Order RC1
- Municipal Financial Reporting and Accounting Manual
- Municipal Government Act



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Thank you.



At your request, the following summarizes the audit progress to date...

Audit planning discussions and the preliminary audit requirements list occurred through to the end of July and our Suralink platform (electronic portal) was activated. We received a trial balance on August 5 (with knowledge that adjustments would be required) to allow us to complete planning.

We received a detailed general ledger on August 14, which allowed us to select our samples for audit testing of the revenues and expenses. Our samples have been selected and provided to CBRM Finance to provide documentation.

Uploads to our Suralink platform by CBRM Finance began the second week of August and continued through today. There has been a lot of activity this week.

As of today, there are still audit requests not addressed, the most significant relate to the capital fund.

A significant issue at this point is the consolidated financial statements. The consolidated financial statements have not been prepared by CBRM Finance. This was discussed with Jennifer last week, and she suggested she would speak to the CAO about potentially engaging MNP to prepare for the current fiscal year. Should this be the direction of CBRM, we require audit committee approval.

With the departure of the CFO, potential delays in obtaining documentation considering the work being done at the civic centre, and the requirement for financial statement completion, we have concerns with the likelihood of audit completion prior to September 30.

I will be happy to discuss questions of the audit committee at the upcoming meeting.

Darren

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