

INFORMATION MEMORANDUM

TO: Audit Committee
FROM: Shelley Rector CPA, CMA - CFO
DATE: February 21, 2019
SUBJECT: Update on Management Letter for 2017-18 Year End

Background

Attached is a copy of the management letter (audit findings letter) that was provided to the Town at the conclusion of last year's audit.

Issues

Two items were identified as deficiencies:

1. First, accruals for overtime were in excess of the policy amounts for seven staff. These were not of a material amount.
2. The second item relates to using surplus funds to finance capital projects for the Water Utility. It was recommended that any revisions to the method of funding for projects approved through the capital budget process be brought back to Council for approval.

Discussion

1. In order to ensure that overtime banks follow policy, Directors were notified in December in cases where banks were a potential issue. In addition, a review is underway now for accrued overtime banks to ensure they comply with policy prior to year-end.
2. Once year end has been completed and surpluses have been identified, staff will prepare a request for Council to approve any changes in the funding for Capital Projects.