



Audit & Finance Committee
Monday, September 15, 2025, at 1:00 p.m.
Tides Room, 181 Coldbrook Village Park Drive

A G E N D A

	Required Action	Responsible	Page
1. Call to Order		Chair	
2. Roll Call		Chair	-
3. Amendments to Agenda	Decision	All	-
4. Approval of Agenda	Decision	All	-
5. Disclosure of Conflict-of-Interest Issues	Disclosure	All	-
6. Approval of Minutes	Decision	Chair/All	
a. May 6, 2025			2
7. Business arising from the minutes	Decision	Chair	
8. Business			-
a) Briefing: Deed Transfer Tax Reserve Policy	Discussion	Mike Livingstone	4
b) Workplan update	Presentation	Tyler Honeywood	9
9. Other Business			
10. Next Meeting: TBD	Discussion	All	
11. Adjournment	Decision	All	

Municipality of the County of Kings
Audit & Finance Committee
May 6, 2025, at 1:00 p.m.

Meeting, Date and Time An Audit & Finance Committee (A&F) meeting was held on Tuesday, May 6th, 2025, in Tides Room at 181 Coldbrook Village Park Drive.

Attending In attendance:

Committee Members: Councillor Everett MacPherson – District 1 (Chair)
Deputy Mayor Riley Peckford- District 4 (Vice Chair)
Mayor Dave Corkum
David Crabb – Citizen Member

Staff: Tyler Honeywood, Manager of Financial Reporting
Susan Gray, Recording Secretary

Guest: Jessica Clahane, Doane Grant Thornton

Absent: Logan Morse- Citizen Member
Councillor Emily Lutz – District 7

1. **Meeting to order:** Councillor MacPherson, Chair, called the meeting to order at 1:01 pm
We observed a moment of Silence for the passing of Greg Barr.
2. **Roll Call**
3. **Amendments to the Agenda** Add Audit & Finance Training to Other Business
4. **Approval of the Agenda:** **On the motion of Mayor Corkum and Deputy Mayor Peckford, the agenda be approved as amended.**

 Motion carried.
5. **Disclosure of Conflict-of-Interest Issues:** None.
6. **Approval of Minutes** **The Minutes of December 12, 2024, were approved as circulated.**

7. Business arising from the minutes

None.

8. New Business:

A) Audit Planning and Strategy Report

Jessica Clahane of Doane Grant Thornton presented the report as shared in the May 6, 2025, Agenda Package.

There was some discussion around clarification for understanding.

B) 2025-2026 Budget Debrief

Tyler Honeywood, Manager of Financial reporting, presented the Debrief.

There were some discussions of clarification.

C) Workplan Update

Tyler Honeywood, Manager of Financial reporting, presented the Work Plan Update as shared in the May 6, 2025, Agenda Package.

9. Other Business

Audit and Finance Training – there is a NS Government mandated training session that must be completed. Susan will resend the link after the meeting.

10. Next Meeting:

Early September 2025, once the Audit Report is complete.

11. Adjournment:

On the motion of David Crabb and Deputy Mayor Peckford, the meeting be adjourned.

Motion Carried.

Meeting adjourned at 2:38 pm

Approval:
Audit & Finance Committee

Month, Day, Year

TO	Audit & Finance Committee
PREPARED BY	Mike Livingstone, Director of Finance & IT
MEETING DATE	September 15, 2025
SUBJECT	Deed Transfer Tax Reserve Policy

ORIGIN

- First introduction to Audit & Finance Committee

RECOMMENDATION

That the Audit & Finance Committee receive the Deed Transfer Tax Reserve Policy briefing note dated September 15, 2025 for information.

INTENT

To introduce and discuss financial policy that will be presented to Municipal Council as a companion to the draft Deed Transfer Tax By-law.

DISCUSSION

The Draft Deed Transfer Tax policy has been attached to this briefing note as Appendix A.

From the beginning of the policy, in its purpose statement, the tone for the Deed Transfer Tax Reserve (the “Reserve”) is set, quickly establishing that the Reserve and by extension deed transfer tax revenues will primarily be used to support critical infrastructure, strategic initiatives, and when warranted to capitalize on opportunities to enhance the efficiency of Municipal operations.

The scope clearly defines that all deed transfer tax revenue will be subject to the provisions of this policy and will be allocated to the Reserve (s. 4.1).

Once Revenues are allocated to the Reserve, policy provisions guide how the Municipality will go about utilizing deed transfer tax. In all cases utilization will be based on a decision of Council either through an approved budget, or by individual resolution. If a debenture is approved to be paid from the Reserve, then all future payments related to that debenture are effectively treated as “pre-approved” Reserve uses.

The policy sets out a minimum balance for the Reserve to ensure that all short-term financing plans will have adequate funds available when the time comes to cover the planned expenditures. Early on however, to bridge the gap between the need to finance significant short to mid-term capital requirements and the need to accumulate an appropriate baseline balance in the Reserve, the minimum balance requirement is “paused” for certain policy provisions (s. 4.9).

The minimum balance “pause” is required to allow the Municipality to expend deed transfer tax revenue in anticipation of the fact that the next major expenditure will be funded by deed transfer tax revenue collected in subsequent fiscal periods and likely including collections in the same fiscal year as the planned expenditure. This approach is expected to be necessary to fully finance short to mid-term capital requirements but is not the intended approach going forward.

The policy also covers the ability to borrow from the Reserve under specific conditions, the attribution of interest and investment earnings back into the Reserve, requirements for annual reporting on Reserve activity and balances, and finally events that can trigger closure of the Reserve and what happens to Reserve funds upon closure.

FINANCIAL IMPLICATIONS

- There are no direct financial implications.
- Administration of the Deed Transfer Tax Reserve policy and related reporting will require a minor allocation of time from finance staff.

STRATEGIC PLAN ALIGNMENT

	Strong Communities	
	Environmental Stewardship	
	Economic Development	
✓	Good Governance	Clearly defines the governance role of Council as it relates to the collection and utilization of deed transfer tax revenues.
✓	Financial Sustainability	Establishes parameters that support a sustainable approach to managing deed transfer tax revenues on an annual and ongoing basis.
	Other	

APPENDICES

- Appendix A: Draft Deed Transfer Tax Reserve Policy

APPROVALS

Scott Conrod, Chief Administrative Officer

September 11, 2025



Municipality of the County of Kings

Deed Transfer Tax Reserve

Policy Category	Finance	Most Recent Amendment	-
First Council Approval	To Be Determined	Future Review Date	Approval + 5 years

1. Purpose

This Policy establishes provisions for development, maintenance, and use of a Deed Transfer Tax Reserve, which is a subsection of the Municipality of the County of Kings' General Operating Reserve, that will prioritize projects related to critical infrastructure at risk, end-of-life infrastructure, advancing Council's strategic plan, and projects supporting improved efficiency and operational cost savings.

2. Scope

This Policy applies to all Departments within the Municipality of the County of Kings and all revenues generated by way of By-law 114 Deed Transfer Tax and is subject to the requirements of the *Municipal Government Act* and the regulations issued thereunder.

3. Definitions

- 3.1 **Deed Transfer Tax Reserve:** a subsection of the General Operating Reserve, subject to the provisions of Policy FIN-05-017: Reserve, as well as the provisions contained herein.
- 3.2 **General Operating Reserve:** funds set aside at the discretion of Council to provide for future expenses. Operating Reserves are generally used in conjunction with general operations but may be used for both operating and capital expenditures. Subject to the provisions of Policy FIN-05-017: Reserve.
- 3.3 **Supplementary Budget:** has the meaning ascribed to Supplementary Spending Approval in Policy FIN-05-028: Budget Management; Incremental budget approvals made by resolution of Council following initial approval of the Operating Budget and Capital Budget; Budget documents and the annual consolidated financial statements reflect original budgets approved by Council and are not updated to reflect Supplementary Spending Approvals.

4. Policy Statements

Reserve Administration

Contributions

- 4.1 The default annual contribution to Deed Transfer Tax Reserve shall be equal to the total deed transfer tax revenue generated during a fiscal year.

Withdrawals

- 4.2 A resolution of Council shall be required for all appropriations from the Deed Transfer Tax Reserve.
- 4.3 Budget approvals and Supplementary Budget approvals pursuant to Policy FIN-05-028: Budget Management containing appropriations from the Deed Transfer Tax Reserve constitute a resolution under 4.2.
- 4.4 Annual appropriations from the Deed Transfer Tax Reserve shall include amounts required to cover principal, interest, and debenture issuance costs for debentures that have been specified to be covered by deed transfer tax revenues.
- 4.5 Subject to 4.8, withdrawals shall not exceed the balance of the Deed Transfer Tax Reserve plus the minimum balance provided in 4.7.

Minimum Balance

- 4.6 Ordinarily, the balance of the Deed Transfer Tax Reserve should not be less than the value of two years of budgeted appropriations from the Deed Transfer Tax Reserve.
- 4.7 The balance of the Deed Transfer Tax Reserve shall not be less than the value of one year of budgeted appropriations from the Deed Transfer Tax Reserve.
- 4.8 In recognition of the need to accumulate a sufficient baseline reserve balance and the anticipation of significant short to mid-term appropriation requirements, over the first five fiscal years following adoption of this Policy, the minimum balance requirements 4.6 and 4.7 shall not apply to 4.3, 4.4, and 4.5, but shall continue to apply to internal borrowing 4.9.

Internal Borrowing

- 4.9 Where the resulting balance of the Deed Transfer Tax Reserve remains above the minimum balance threshold described in 4.7 the reserve may be borrowed from for an approved capital project that has received an approved temporary borrowing resolution, for a term not to exceed five years, and with an interest rate equal to the rate the Municipality receives for cash on deposit.

Interest and Investment Income

- 4.10 All interest and investment income earned by funds in the Deed Transfer Tax Reserve, including interest earned on internal borrowing as described in 4.9, shall accrue to the reserve and be subject to the provisions of this Policy.

Reporting

- 4.11 An annual report of Deed Transfer Tax Reserve activity shall be presented to the Audit & Finance Committee at the Committee meeting following approval of the consolidated financial statements by Council.
- 4.12 The annual report shall detail, as of the end of the latest fiscal year; contributions, interest and investment earnings, withdrawals, internal borrowing, estimates of withdrawals over the next two fiscal years, and the balance of the reserve.

Closure of Reserve

- 4.13 The Deed Transfer Tax Reserve shall remain in place until repeal of this Policy.

- 4.14 Upon closure of the Deed Transfer Tax Reserve all funds contained in the reserve will remain funds of the General Operating Reserve and all existing funding commitments of the Deed Transfer Tax Reserve will become commitments of the General Operating Reserve.
- 4.15 Notwithstanding 4.14 Council may, by resolution, allocate funds of the Deed Transfer Tax Reserve to another Municipal Reserve upon closure.

5. Responsibilities

- 5.1 Council will:
- 5.1.1 ensure the Municipality has a current and comprehensive Policy for Deed Transfer Tax Reserve;
 - 5.1.2 approve transactions to and from reserves through the budget process or by specific resolution; and
 - 5.1.3 review and amend this Policy as required.
- 5.2 The Chief Administrative Officer will:
- 5.2.1 implement this Policy; and
 - 5.2.2 identify and propose revisions to this Policy.

6. Amendments

Date	Amendments

Audit & Finance Committee Work Plan Update September 15, 2025

Description	Approach	Target Date	Update: September 15, 2025
Legislated Responsibilities (yearend) <ul style="list-style-type: none">Review of financial statementsReview management letterReview internal control letterReview auditors reportReview remuneration & expensesReview hospitality expensesReview compliance reportRecommendation of Appointment of Municipal Auditor	<p>The Audit & Finance Committee will receive a presentation from the Municipal Auditor on the consolidated financial statements and audit engagement. Along with the financial statement presentation the Audit & Finance Committee will review documents submitted by the Municipal Auditor which may include:</p> <ul style="list-style-type: none">Financial statements and audit report/opinionManagement letterInternal control letterMunicipal Auditors Report to the Audit & Finance committee <p>In conjunction with the Municipal Auditors’ presentation the Audit & Finance Committee will receive briefings from staff on the following items:</p> <ul style="list-style-type: none">Summary of remuneration and expenses for reportable individualsSummary of hospitality expensesReport on compliance <p>Part of this review is to include assessment of the Municipal Auditor and considerations for annual appointment of the Municipal Auditor.</p>	Annually on or before the Provincial filing deadline of September 30 .	<p>We have encountered delays in finalizing our 2024-2025 fiscal year. We have postponed Doane Grant Thornton for their audit engagement until the completion of our Financial Statements. Staff turnover has been dominant contributing factor in this delay.</p> <p>We have notified the province that our audited financial statements will be delayed past the Sept 30th 2025 Deadline.</p> <p>We are expecting to have draft financial statements prepared before the end of September and hoping that will allow us to reschedule the audit and finalize the financial statements in late October or early November.</p>
Audit Debrief <p>Follow up discussion of the consolidated financial statements and management letters as prepared and presented by the Municipal Auditor.</p>	Following the financial statement presentation by the Municipal Auditor, a debrief session will take place that will address at a minimum any management letter points and/or identified weaknesses in internal controls.	Annually at the meeting following presentation of reports from the Municipal Auditor.	The year-end audit is currently on hold until Financial Statements are complete. This item will be debriefed upon completion of the Audited Financial Statements.
Review of Financial Condition Indicators <p>A legislated responsibility of the audit committee.</p>	The Audit & Finance Committee will receive a presentation from staff on the Municipality’s Financial Condition Indicators once they are published by the Province.	Annually following release by the Province.	The 2022/23 FCIs are now complete and will be discussed during the September 15 th meeting.

Description	Approach	Target Date	Update: September 15, 2025
Financial Policy Review Prioritized review of finance policies including presentations and discussions on proposed changes to finance policy	<p>This process will begin with a prioritization of policy review and required updates to bring finance policies in line with their documented review schedules. Some policies require improved clarity, contain outdated terms or references, or may not be required. Development of new financial policies is another area for consideration.</p> <p>Policies currently under review include:</p> <ul style="list-style-type: none">• FIN-05-001 Capital Budget• FIN-05-012 Tangible Capital Assets	The policies currently under review are targeted for completion prior to March 31, 2026 .	<p>FIN-05-006 Procurement was approved by Council on July 8, 2025.</p> <p>FIN-05-001 Capital Budget is still being examined for a potential recommendation to repeal.</p> <p>FIN-05-012 Tangible Capital Assets is still under review and appears to require updates in several areas.</p>
Risk Assessment and Fraud Prevention Program Establish a Risk (including fraud risk) Identification, Assessment, and Analysis program to determine areas of significant risk.	<p>Establishment of a formal risk assessment would determine the areas of focus for internal control reviews, and the development of standard operating procedures.</p> <p>Develop fraud prevention procedures and develop a formal fraud program (policy, reporting, education) which considers:</p> <ul style="list-style-type: none">• Code of conduct• Employee support programs• Clear lines of authority• Robust internal control system including documented list of controls• Effective oversight & monitoring <p>Periodic update from management to the Audit Committee on allegations/complaints.</p> <p>Reports to include:</p> <ul style="list-style-type: none">• Nature & volume of allegations/complaints• Responses to allegations/complaints <p>Reports will be presented to the Audit & Finance Committee to comply with their responsibility to monitor financial risk management; FRAM section 53(d)(ii).</p>	TBD	<p>To date there has been little progress on this initiative due to other higher priority items.</p>

Description	Approach	Target Date	Update: September 15, 2025
Budget Development Process Budgets for the Municipality are to be developed in an ordered and timely manner.	<p>The annual Budget is to be prepared in accordance with a pre-established timeline that sets out key milestones and decision points leading up to Council deliberation and approval.</p> <p>The staff process for collection of information, forecast of spending requirements, and compilation of budget detail should follow a standard process and include consultation with staff across all departments as well as the public through established channels of engagement.</p> <p>The annual Council and Committee meeting schedule for budget related items will be recommended for approval by Council by the Audit & Finance Committee.</p> <p>Feedback will also be provided to staff by the Audit & Finance Committee on the annual budget process, materials, presentations, etc. following approval of the annual budget.</p>	Committee consideration and recommendation to Municipal Council, annually before October 31.	<p>Looking forward to the 2026-2027 budget, the proposed timeline will be going to Municipal Council prior to the October 31st deadline.</p> <p>The proposed timeline will be discussed with the Audit and Finance Committee on September 11th 2025.</p>
Accountability Reporting	<p>A quarterly report will be presented which will identify significant variances and provide a yearend forecast of financial results.</p> <p>The Audit & Finance Committee will also consider whether there is a need to receive first quarter Accountability Reports.</p>	<p>Reports received at the second committee meeting subsequent to quarter end.</p> <p>Quarter 4 accountability reports will be presented once yearend audited financial statements have been approved by Council.</p>	Fourth quarter 2024/25 Accountability Reports will be presented to the Audit & Finance Committee in conjunction with the year-end audited financial statements.
Process & Controls Review Review of processes and controls in select transaction lines	<p>Processes and controls are currently in place for finance activities and are reviewed annually as part of the financial statement audit, but a more detailed examination could be warranted within certain transaction lines.</p> <p>The Risk Assessment and Fraud Prevention Program will need to be completed before activities can be prioritized in this component of the work plan.</p>	For consideration upon completion of the Risk Assessment and Fraud Prevention Program	<p>This workplan item is on hold until completion of the Risk Assessment and Fraud Prevention Program.</p> <p>One recent development since our last meeting: Finance staff to now require two-factor authentication when accessing our cloud-based Finance ERP system.</p>

Description	Approach	Target Date	Update: September 15, 2025
Performance Based Audit Program Development of a Cyclical Audit Program for various activities of the Municipality	<p>A step beyond the Process & Controls Review for various transaction streams, this program will examine both financial and non-financial processes to evaluate operational efficiency and areas for improvement.</p> <p>The Risk Assessment and Fraud Prevention Program will need to be completed before activities can be prioritized in this component of the work plan.</p>	For consideration upon completion of the Risk Assessment and Fraud Prevention Program	This workplan item is on hold until completion of the Risk Assessment and Fraud Prevention Program.
Program Reviews Review of program delivery and cost-recovery methods offered and/or used by the Municipality in the provision of services. This includes the examination of related fees and charges.	Review of select programs intended to identify and better understand resource requirements, opportunities for enhanced efficiency, and potential technology solutions. Where appropriate Activity Based Costing techniques will be utilized to determine appropriate chargeback formula for Municipal services provided to third parties.	Target as new priorities are set.	Next program review to be determined.