



REGIONAL MUNICIPALITY  
OF **WOOD BUFFALO**

## **Audit Committee**

Council Chamber  
9909 Franklin Avenue, Fort McMurray

Thursday, February 04, 2016  
4:00 p.m.

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## **Agenda**

### **Call to Order**

1. Adoption of the Agenda
2. Minutes of the Audit Committee meeting - October 14, 2015

### **New and Unfinished Business**

3. Proposed Meeting Schedule
4. 2015 Year-End Expense Summary – Council and Office of the Chief Administrative Officer
5. Policy Update Log

### **Adjournment**

**Unapproved Minutes of a Meeting of the Audit Committee held in the Council Chamber at the Municipal Offices in Fort McMurray, Alberta, on Wednesday, October 14, 2015, commencing at 4:00 p.m.**

**Present:** S. Germain, Councillor  
J. Stroud, Councillor

**Absent:** T. Ault, Councillor

**Administration:** K. Scoble, Deputy Chief Administrative Officer  
E. Hutton, Chief Financial Officer  
D. Leflar, Chief Legislative Officer  
A. Rogers, Senior Legislative Officer  
S. Harper, Legislative Officer

**Call to Order**

A. Rogers, Senior Legislative Officer, called the meeting to order at 4:03 p.m.

**1. Adoption of the Agenda**

Moved by Councillor S. Germain that the agenda be adopted as presented.

CARRIED UNANIMOUSLY

**New and Unfinished Business**

**2. Appointment of Chair and Vice Chair**  
(4:04 p.m. – 4:07 p.m.)

A. Rogers called for nominations for the position of Chair.

Councillor S. Germain nominated Councillor T. Ault for the position of Chair, and Councillor J. Stroud for the position of Vice-Chair. A. Rogers, indicated that Councillor T. Ault had previously advised of his late arrival at today's meeting and also confirmed his willingness to accept the position if nominated. Councillor J. Stroud also confirmed her acceptance of the nomination for the position of Vice Chair.

A. Rogers called for any further nominations, and with none being brought forward, Councillor T. Ault was declared Chair, and Councillor J. Stroud was declared Vice Chair, by acclamation.

**Assuming of the Chair**

As Councillor T. Ault was not in attendance, the Chair was then assumed by Councillor J. Stroud at 4:07 p.m.

**3. Expense Summary – Council and Office of the Chief Administrative Officer (CAO)**  
**- Period ending June 30, 2015**  
**- Period ending September 30, 2015**  
(4:08 p.m. – 4:11 p.m.)

A request was made to have a clearer breakdown of the Chief Administrative Officer's expenses included with the quarterly reporting of the Council and Chief Administrative Officer's Expense Summary.

Moved by Councillor S. Germain that the Expense Summary for Council and Office of the Chief Administrative Officer (CAO) for the periods ending June 30, 2015 and September 30, 2015 be received as information.

CARRIED UNANIMOUSLY

**4. 2015 External Audit Service Plan – Deloitte LLP**  
(4:12 p.m. – 4:21 p.m.)

Rachel Gosse, Deloitte LLP, provided a presentation on the 2015 External Audit Service Plan, and requested that the Audit Committee members work with administration to answer the questions contained on page 26 of the 2015 External Audit Service Plan.

Moved by Councillor S. Germain that the 2015 External Audit Service Plan as provided by the external Auditors, Deloitte LLP, be recommended to Council for approval.

CARRIED UNANIMOUSLY

**5. Appointment of External Auditor – 2016 Year End**  
(4:22 p.m. – 4:28 p.m.)

Elsie Hutton, Chief Financial Officer; and Kola Oladimeji, Director of Financial Services, provided a brief presentation and recommendation on the appointment of an External Auditor for the 2016 year end.

Moved by Councillor J. Stroud that the following be recommended to Council for approval:

- That Deloitte LLP be reappointed as external auditor for the Regional Municipality of Wood Buffalo, Wood Buffalo Regional Library, Regional Recreation Corporation and Wood Buffalo Housing & Development Corporation for the December 31, 2016 year end audit.
- THAT Administration be authorized to enter into a one year contract extension for the provision of external audit services for the December 31, 2016 year end by Deloitte LLP.

CARRIED UNANIMOUSLY

**6. Governance Discussion**  
(4:28 p.m.)

David Leflar, Chief Legislative Officer, suggested that the Governance Discussion be deferred to the next meeting to allow for the discussion to take place with all Committee members present.

Moved by Councillor S. Germain that the Governance Discussion be deferred to the next Audit Committee meeting.  
CARRIED UNANIMOUSLY

**7. Next Meeting Date**  
(4:29 p.m.)

Moved by Councillor S. Germain that the next meeting of the Audit Committee be scheduled for January 13, 2016 at 4:00 p.m.  
CARRIED UNANIMOUSLY

**Adjournment**

As all scheduled business matters had been concluded, Vice Chair J. Stroud declared the meeting adjourned at 4:30 p.m.

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Chair

\_\_\_\_\_  
Chief Legislative Officer

**Subject: 2015 Year-End Expense Summary – Council and Office of the Chief Administrative Officer**

**APPROVALS:**

David Leflar, Director  
Kevin, Scoble, Deputy Chief Administrative Officer  
Marcel Ulliac, Chief Administrative Officer

**Administrative Recommendation:**

THAT the 2015 Year-End Expense Summary for Council and the Office of the Chief Administrative Officer be received as information.

**Summary:**

The current Elected Officials Compensation, Travel, Expense and Support Policy requires that reports on expenditures for each member of Council be presented for review at a public meeting on a quarterly basis.

**Background:**

The attached Council Expense Summary (Attachment 1) reflects all expenses entered in the Municipality's financial system for the 2015 fiscal year (January 1-December 31, 2015) in the categories of business travel, conference travel (includes registration costs and training) and public relations (includes event tickets, hosting, sponsorships, etc.) for each Member of Council. The quarterly report also reflects any expenses that were incurred while acting as Deputy Mayor or when participating on an external board or agency on behalf of Council. These expenses are budgeted separately and do not impact the individual Council Member's budget allocations.

Individual budgets are monitored on an ongoing basis, and budget adjustments are made, as needed. No adjustments were made in 2015, as all Council Members remained within their respective total cumulative budget allocation.

In keeping with the established practice in 2014, expenses for the Office of the Chief Administrative Officer are also submitted for review. This provides a consistent reporting process for Council Members and the most senior member of municipal administration, while ensuring that the primary objectives of transparency and accountability are upheld.

**Strategic Plan Linkage:**

Pillar 1 – Building Responsible Government

**Attachment:**

1. 2015 Year-End Expense Summary – Council and Office of the CAO

**2015 Year-End Expense Summary - Council and Office of the Chief Administrative Officer**  
**Total Expenses Submitted for the Period January 1-December 31, 2015**

Councillors	Annual Budget	YTD Expenses	Percentage Expended	Other Committees	Deputy Mayor	Details
						\$764 - NAMRC Meeting Airdrie; \$534 - Throne Speech; \$367 NAMC Leduc; \$328 Minister Meeting (January 2016)
Blake, Melissa - Business Travel	10,000	1,995	19.95%			
Blake, Melissa - Conference Travel	7,500	1,203	16.05%			\$1203 - AUMA Convention
						\$962 - Donation Baskets; \$1131 - Business Lunch; \$2910 - Events; \$496 - Dinner Meeting; \$2336 - Promotional; \$2702 - NAMRC Meeting Fort McMurray; \$1250 - Graduation Certificates
Blake, Melissa - Public Relations	15,000	11,792	78.62%			
<b>MAYOR - TOTAL</b>	<b>32,500</b>	<b>14,991</b>	<b>46.13%</b>			
Ault, Tyran - Expenses	1,000	25	2.50%			\$25 - Flight Cancellation Fee (Fort Chipewyan Community Engagement)
Ault, Tyran - Public Relations	10,000	49	0.49%			
Ault, Tryan - Conference Travel	10,000	2,022	20.22%			\$2,022 - AUMA Convention
<b>AULT - TOTAL</b>	<b>21,000</b>	<b>2,096</b>	<b>9.98%</b>			
Boutilier, Guy - Expenses	1,000	0	0.00%			
Boutilier, Guy - Public Relations	10,000	0	0.00%			
Boutilier, Guy - Conference Travel	10,000	542	5.42%			\$542 - Travel to Edmonton - Session with Douglas Cardinal, Travel to Enoch, AB
<b>BOUTILIER - TOTAL</b>	<b>21,000</b>	<b>542</b>	<b>2.58%</b>			
Bussieres, Lance - Expenses	1,000	0	0.00%			
Bussieres, Lance - Public Relations	10,000	2,603	26.03%			\$1,003 - Promotional Material, Snow Angels Program Prizes/Gifts; \$100 - Councillors' Corner; \$1,500 - Seniors Luncheon (Golden Years Society)
Bussieres, Lance - Conference Travel	10,000	0	0.00%			
<b>BUSSIERES - TOTAL</b>	<b>21,000</b>	<b>2,603</b>	<b>12.40%</b>			
Cardinal, Julia - Business Travel	32,200	21,696	67.38%			\$21,696 - Travel to Fort McMurray for Council and Committee Meetings
Cardinal, Julia - Public Relations	10,000	6,335	63.35%			\$80 - Event Ticket; \$6,255 - Promotional Material
						\$2,175 - AAMDC Spring Convention; \$79 Cancellation fee AUMA Convention; \$2,531 AAMDC Fall Convention
Cardinal, Julia - Conference Travel	10,000	4,785	47.85%			
<b>CARDINAL - TOTAL</b>	<b>52,200</b>	<b>32,815</b>	<b>62.86%</b>			
Chadi, John - Business Travel	32,200	372	1.16%			\$372 - Travel to Council Meetings
Chadi, John - Public Relations	10,000	0	0.00%			
Chadi, John - Conference Travel	10,000	0	0.00%			
<b>CHADI - TOTAL</b>	<b>52,200</b>	<b>372</b>	<b>0.71%</b>			

Councillors	Annual Budget	YTD Expenses	Percentage Expended	Other Committees	Deputy Mayor	Details
Germain, Sheldon - Expenses	1,000	0	0.00%			
Germain, Sheldon - Public Relation	10,000	6,489	64.89%			\$654 - Event Tickets; \$2,000 - 3 on 3 Hockey Tournament Sponsorship; \$3,786 - Promotional Materials
Germain, Sheldon - Conference Travel	10,000	2,994	29.94%			\$2,994 - AUMA Convention
<b>GERMAIN - TOTAL</b>	<b>21,000</b>	<b>9,483</b>	<b>45.16%</b>			
McGrath, Keith - Expenses	1,000	0	0.00%			
McGrath, Keith - Public Relations	10,000	14,128	141.28%			\$1,255 - Event Tickets; \$139 - Councillors' Corner; \$12,685 - Promotional Material
McGrath, Keith - Conference Travel	10,000	4,224	42.24%			\$2,466 - AAMDC Spring Convention; \$1,758 - AUMA Convention
<b>MCGRATH - TOTAL</b>	<b>21,000</b>	<b>18,352</b>	<b>87.39%</b>			
Meagher, Phil - Expenses	1,000	0	0.00%			
Meagher, Phil - Public Relations	10,000	335	3.35%			\$335 - Event Tickets
Meagher, Phil - Conference Travel	10,000	0	0.00%			
<b>MEAGHER - TOTAL</b>	<b>21,000</b>	<b>335</b>	<b>1.60%</b>			
Stroud, Jane - Business Travel	16,000	9,575	59.84%			\$9,575 - Travel to Council and Committee Meetings
Stroud, Jane - Public Relations	10,000	1,437	14.37%			\$240 - Event Tickets; \$735 Gift Baskets (Anzac Daze, Seniors Luncheon, Christmas Concerts); \$462 - Hosting (Northern Kickoff Tickets)
Stroud, Jane - Conference Travel	10,000	2,408	24.08%			\$1,730 - AAMDC Fall Convention; \$678 - AUMA Meeting with Ministers
<b>STROUD - TOTAL</b>	<b>36,000</b>	<b>13,420</b>	<b>37.28%</b>			
Tatum, Colleen - Expenses	1,000	0	0.00%			
Tatum, Colleen - Public Relations	10,000	2,300	23.00%			\$395 - Event Tickets; \$1,905 - Promotional Materials
Tatum, Colleen - Conference Travel	10,000	542	5.42%			
<b>TATUM - TOTAL</b>	<b>21,000</b>	<b>2,842</b>	<b>13.53%</b>			
Vinni, Allan - Business Travel	5,000	0	0.00%			
Vinni, Allan - Public Relations	10,000	2,388	23.88%			\$225 - Event Tickets; \$60 - Dinner Meeting OSCA; \$1,000 - FMC Women in Municipal Government Donation; \$1,000 - Hosting (La Dolce Vita Tickets)
Vinni, Allan - Conference Travel	10,000	2,284	22.84%	\$923		\$923 - FCM Committee Meetings; \$1,361 - FCM Conference
<b>VINNI - TOTAL</b>	<b>25,000</b>	<b>4,672</b>	<b>18.69%</b>			

Councillors	Annual Budget	YTD Expenses	Percentage Expended	Other Committees	Deputy Mayor	Details
Office of the CAO - Business Travel	10,000	6,860	68.60%			\$794 - Mtg. with Douglas Cardinal & Shanghai Construction Group in Edmonton; \$824 - Two mtgs. with DM Pickering in Edmonton re methodology for assessment of M&E; \$750 - Mid-Sized City Mayors & CAOs meeting in Airdrie; \$417 - Western Canadian Planning Director's Symposium in Edmonton; \$529 - AOSA Aviation Advisory Group AGM in Calgary; \$403 - Transportation Coordinating Committee Mtg. in Edmonton
Office of the CAO - Public Relations	8,000	846	10.58%			\$37 - Fort McMurray Construction Association AGM; \$94 - Two lunch mtg. with ATCO Electric re electrification of work camp in Fort Chipewyan and pool construction; \$156 - Four Chamber networking luncheons; \$368 - Fort McMurray Construction Assoc. Golf Tournament; \$66 - Lunch mtg. with Patrick Lafarge & Andrew Boutilier re SEC project; \$73 - Lunch for Executive Team while travelling to CRDAC meeting in Conklin; \$73 - Lunch mtg. with representative from Reynolds Mirth Richards & Farmer Lawfirm re M & E tax assessment appeals; \$23 - Lunch mtg. with U of A representative re Governance Training for Council
Office of the CAO - Conference Travel	10,000	4,878	48.78%			\$2,987 - CAMA/FCM Conference in Edmonton; \$3,080 - AUMA Conference in Calgary; \$1,648 - AAMDC Convention in Edmonton
<b>OFFICE OF THE CAO - TOTAL</b>	<b>28,000</b>	<b>12,584</b>	<b>44.94%</b>			

- FCM - Federation of Canadian Municipalities
- AUMA - Alberta Urban Municipalities Association
- AAMDC - Alberta Association of Municipal Districts & Counties
- NAMRC - Northern Alberta Mayors and Reeves Caucus
- CAMA - Canadian Association of Municipal Administrators



## KPMG Audit Findings – Progress To-Date

Recommendation	Current Status	Date
1.5 Develop and document a process to support Administration’s annual representations with respect to internal controls.	Discussions were held with KPMG and it was concluded that the process would be implemented for the 2015 year end process.	Will be implemented as part of the 2015 year-end process
8.4 Update Supply Chain Management Procedure - FIN 190 to include a minimum categorical requirement for proposal submissions.	A minor wording change may be included in the Procurement Policy update that addresses the ability of the Municipality’s Supply Chain Professional to ensure that the procurement process is adaptable to the various procurement activities undertaken.	In progress now that the Procurement Policy PUR-100 has been approved by Council.
Additional Policies requested by the CAO: 1. Groundbreaking/Ribbon Cutting 2. Public Participation/Engagement		<b>February 16, 2016</b> <b>March 8, 2016</b>
1.1 Set a clear and consistent “Tone from the Top”.  1.2 Review the current structure of the relationships between Council and Administration.	An RFP was issued in March for governance training. At the June 16 ABC Meeting, the Committee decided not to award the RFP to the sole proponent. Administration was requested to continue to explore other Governance Training options (FCM/CAMA) in advance of bringing the item back before the Committee.	<b>Presented to Council on January 20, 2016. Referred back to Administration for further review. Group (in person) training options to be presented to Council no later than March 31, 2016.</b>
1.6 Council to clearly define its expectations for the Municipal Auditor function	To be determined with the Audit Committee once established.	<b>April, 2016 Audit Committee</b>
1.3 Develop consistent information to be provided by Administration to Council.	This will be addressed as part of the new CAO Bylaw which will identify reporting requirements.	<b>April, 2016</b>
2.2 Review and update Delegation Order on a regular basis to ensure it remains current.	Delegation Order will be updated once the CAO Bylaw is revised.	<b>April, 2016</b>
6.5 Update the Delegation Order and LEG-050 for the gaps noted in the Accountability, Integrity and Transparency Audit Report.	<b>Policies/procedures require updating not the Delegation Order to address this recommendation. LEG-050 – Elected Official Compensation Policy is being amended to clarify who will approve expenses for Mayor and Councillors. Administration is reviewing current policies/procedures to determine what requires updating to address expense approvals for the CAO &amp; senior staff.</b>	<b>TBD</b>

## KPMG Audit Findings – Progress To-Date

Recommendation	Current Status	Date
6.11 Consider implementing an automated approval workflow for expense reports.	This item will require SAP resources and therefore would be prioritized against other SAP projects.	<b>Dedicating SAP resources at this time is not anticipated due to existing higher priority work plans.</b>
8.1 Review PUR-100, Procurement Policy, in accordance with the mandatory review dates.	No significant changes to the existing policy anticipated since public procurement is guided by the Agreement on Internal Trade and the New West Trade Partnership Agreement.	<b>COMPLETED</b> Council approved Procurement Policy at their January 26, 2016 meeting.
2.3 Review and update existing Code of Conduct Policy to reflect leading practices.	Review is in progress to ensure it aligns with our Corporate Values and reflects leading practices.	<b>COMPLETED</b> It was determined that this could be addressed through an amendment of the existing Code of Conduct Procedure as opposed to developing a Council Policy on Code of Conduct. Procedure has since been revised and is now in place.
2.5 Implement a Severance Policy and Procedure.	Part of the comprehensive presentation to Council on Human Resources policies.	<b>COMPLETED</b> Council approved the Severance Policy on Dec. 1, 2015.
6.1 Determine whether or not a Fly-In-Fly Out policy is required and if so implement a policy and procedure.	Part of the comprehensive presentation to Council on Human Resources policies.	<b>COMPLETED</b> Policy presented to Council on October 27, 2015 and again on December 1, 2015. Council did not support implementation of a Fly-In-Fly Out Policy.
6.2 Implement a policy and procedure for temporary housing.	Part of the comprehensive presentation to Council on Human Resources policies.	<b>COMPLETED</b> Council approved the Temporary Housing Policy on Dec. 1, 2015.

## KPMG Audit Findings – Progress To-Date

Recommendation	Current Status	Date
3.1 Develop and document a mandate for the Public Affairs Department.	Departmental mandates are being updated and new ones created as a result of organizational changes. Mandates will be shared with Council and posted to our website by the end of October.	<b>COMPLETED</b> Council was provided a copy of all departmental mandates on October 7, 2015 via e-mail. Mandates are also posted on the RMWB website.
2.1 Implement a whistleblower policy.	Draft policy being reviewed along with a structure for implementation.	<b>COMPLETED</b> Whistleblower Policy was approved by Council at their October 6, 2015 mtg. for implementation January 1, 2016.