

**ALGOMA PUBLIC HEALTH
BOARD OF HEALTH FINANCE AND AUDIT COMMITTEE
FEBRUARY 10, 2016 @ 4:30 – 5:20 P.M.
PRINCE MEETING ROOM, 3RD FLOOR
A*G*E*N*D*A**

- 1) **Meeting Called to Order** Mrs. Christina Luukkonen,
Recording Secretary

- 2) **Election of Officers**
 - a. Election of Committee Chair Mrs. Christina Luukkonen,
Recording Secretary

Resolution
*THAT the Finance and Audit Committee appoints
_____ as Chair of the committee for the year 2016.*

 - b. Election of Committee Vice-Chair Committee Chair

Resolution
*THAT the Finance and Audit Committee appoints
_____ as Vice-Chair of the committee for the year 2016.*

- 3) **Declaration of Conflict of Interest** Committee Chair

- 4) **Adoption of Agenda Items** Committee Chair

RESOLUTION:
THAT the agenda items for the Finance and Audit Committee meeting dated February 10, 2016 be adopted as circulated.

- 5) **Adoption of Minutes** Committee Chair

RESOLUTION:
THAT the minutes for the Finance and Audit Committee meeting dated January 13, 2016 be adopted as circulated.

- 6) **Presentation/Delegation - None**

- 7) **Financial Statements** Mr. Justin Pino, CFO

RESOLUTION:
THAT the Finance and Audit Committee recommends the financial statements for the period ending December 31, 2015 and be put forth to the Board of Health for approval.

- 8) **Business Arising from Minutes**
 - a. Report of Committee Activities for 2015 Mr. Ian Frazier

- 9) **New Business/General Business**
 - a. ELNOS Renovation Budget Update Mr. Justin Pino, CFO
 - b. Transfer of Reserve Funds

Resolution
WHEREAS Algoma Public Health received an insurance settlement in

the amount of \$374,939.89 from the collapse of the Algo Mall in Elliot Lake which housed the former Elliot Lake office for Algoma Public Health; and

WHEREAS these funds were placed in a GIC for future use for renovations to a new office space in Elliot Lake.

THEREFORE BE IT resolved the Board of Health approves the transfer of funds in the amount of \$374,939.89 from APH's reserve account (GIC) to the agencies operating account to be used for costs incurred with the renovations of the Elliot Lake office in the ELNOS Building.

10) **Addendum**

11) **In-Committee**

Committee Chair

RESOLUTION:

THAT the Finance and Audit Committee goes in-committee.

- a. Adoption of Minutes: November 12, 2015 and January 13, 2016
- b. Personal matters about an identifiable individual, including municipal employees

12) **Open Meeting**

Committee Chair

RESOLUTION:

THAT the Finance and Audit Committee goes into open meeting.

13) **Next Meeting:** Wednesday, March 30, 2016 @ 4:30pm

Committee Chair

14) **That The Meeting Adjourn**

Committee Chair

RESOLUTION:

THAT the meeting of the Finance and Audit Committee adjourns.

FINANCE AND AUDIT COMMITTEE 2015 YEAR IN REVIEW COMPARED TO TOR

Committee Scope/Duties	Action Identified
Review and make recommendations to the Board regarding monthly financial statements and other monthly/quarterly financial reporting being presented to the Board	After the Committee was established, any financial reports presented to the Board received the Committee's recommendation for approval
Review and make recommendations to the Board regarding the annual Operating and Capital Plan	The 2016 Operating Plan was reviewed and recommended for approval in Nov 2015
Review and make recommendations to the Board regarding the annual audited financial statements	Due to the significant issues the Board faced in early 2015 it was decided that the annual audited financial statement presentation by the auditors was made directly to the Board and not the Committee
Review and recommend the annual appointment of the external auditors	In late 2015 it was recognized that APH must appoint the same auditors that the City of SSM uses
Review and recommend the annual audit plan, audit fees, and scope of audit services (engagement letter)	In Nov 2015 the Committee reviewed and recommended the acceptance of the audit plan, audit fees, and scope of audit services
Meet with external auditors to review the findings of the audit including but not limited to the auditor's Management Letter, any weaknesses in internal controls and the Executive response to such letter	Due to the significant issues the Board faced in early 2015 it was decided that the annual audited financial statement presentation by the auditors was made directly to the Board and not the Committee
Review and report to the Board any changes in accounting policies or significant transactions which impact the financial statements in a significant manner as per the annual financial statements	During the year the Committee reviewed the reserve and revenue deferment policy. Significant transactions identified during the year was the recommendation of term loan and the completion of Elliot Lake office renovation
Periodically review the need for an internal audit and if required make such recommendation to the Board	Early in 2015 an internal audit was completed
Monitor the internal audit process, ensure all items from the internal auditor's reports are resolved and assess the internal audit performance	Internal audit was completed prior to the Committee being established. Change in leadership and Board was completed as a result.
Monitor the effectiveness of internal controls to ensure compliance with Board policies and standard accounting principles	During the year the Committee reviewed three policies and recommended for approval
Review and ensure that all risk management is complete with respect to all insurance coverage for the Board	Committee in 2015 verified insurance was in place and review will be completed for the 2016 renewal

FINANCE AND AUDIT COMMITTEE 2015 YEAR IN REVIEW COMPARED TO TOR

Committee Scope/Duties	Action Identified
Review and make recommendations to the Board regarding long-term financial goals and long-term revenue and expense projections	Based on the Ministry's position of 0% increase in funding a balanced budget process was implemented. Review of mortgage renewal has been slated for mid-2016
Review and make recommendation to the Board concerning any material asset acquisitions	Committee reviewed and recommended the initiation of Elliot Lake office renovation, advance purchase of IT equipment to assist with the sale/leaseback and the purchase of Board communication hardware and software
Review and make recommendations to the Board regarding financial, Investing and banking transactions, providers and signing officers	Committee reviewed and recommended the following signing officers – Justin Pino, Tony Hanlon, Lee Mason, and Ian Frazier. Committee reviewed and recommended the \$350,000 term loan to complete the Elliot Lake office renovation
Review other projects or developments as directed by the Board	Committee reviewed RFP for Elliott Lake office renovation and completed the evaluation and recommended the company to complete project

Cash Flow

Inflow

Insurance Settlement Funds (need approval move GIC into operating)	\$ 374,939.89	
RBC Bank Loan (Dec 9/15)	\$ 350,000.00	
Total Inflow		\$ 724,939.89

Outflow

Construction - Payment #1 - (Dec. 9/15)	\$ 101,137.50	
Construction - Payment # 2 (Feb. 1/16)	\$ 127,683.00	
Architect - Payment # 1 (Feb. 1/16)	\$ 48,950.24	
Total Outflow as of Feb. 10/16		\$ 277,770.74

Projected Inflows

Battery Rebate (architect negotiating with contractor)	??	
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Projected Outflows

Balance of Construction	\$ 351,315.50	
Balance of Architect	\$ 5,438.92	
Furniture and assembly	\$ 36,630.00	
IT	\$ 21,000.00	
Phone	\$ 5,579.00	
Moving	\$ 15,000.00	
		\$ 434,963.42

Surplus/(Deficit)		<u><u>\$ 12,205.73</u></u>
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* note: outflows do not include HST (APH will recoup majority of HST expense)