



**REGIONAL MUNICIPALITY OF NIAGARA
POLICE SERVICES BOARD**

**FINANCE COMMITTEE
PUBLIC MINUTES**

Thursday, January 11, 2018

**Niagara Regional Police Service
Community Room 1st Floor, 5700 Valley Way, Niagara Falls**

CALL TO ORDER

The Public Finance Committee Meeting commenced at 10:30 am.

ROLL CALL

PSB MEMBERS: Mr. B. Gale, Board Chair
Mr. K. Gansel, Board Vice Chair
Mr. D. Barrick
Mr. T. Bonham
Mr. V. Stewart

Ms. D. Reid, Executive Director

NRPS MEMBERS: Deputy Chief B. Flynn, Operational Support
Deputy Chief B. Fordy, Support Services
Ms. L. DiDonato-DeChellis, Director of Business Services
Inspector J. Mackay, Operational Support
A/Inspector S. Tchang, Executive Officer to the Chief of Police
Mr. T. Roome, Public Safety Radio System Manager

OTHERS: Mr. J. Antonio, Citizen
Mr. C. Jaspre, Citizen
Ms. H. Jaspre, Citizen

DECLARATIONS OF CONFLICT/PECUNIARY INTEREST

There were no declarations of conflict or pecuniary interest.

MINUTES OF PREVIOUS MEETINGS

1. Minutes of the Finance Committee Meeting held Thursday, December 7, 2017.

Moved by: T. Bonham
Seconded by: D. Barrick

That the information be received.

Carried.

NEW BUSINESS

2. Niagara Regional Police Service Audited Financial Statements – Define Terms of Engagement

Ms. Jessica Hansler and Mr. Trevor Fergusson, Deloitte, were in attendance to address any questions by the Board regarding the Board's motion at its December 21, 2017 meeting to proceed with 'Option 2' outlined in Service Report 303/2017, specifically requesting Deloitte to complete a full audit to include all police costs and incorporate the Statement of Operations (Schedule of Revenue and Expenditures), Statement of Financial Position, Statement of Changes in Net Assets, and Statement of Cash Flows.

Mr. Fergusson advised that the audit will require a fair amount of time for management to delineate Regional assets from police assets in and around tangible capital assets. He advised that prior year numbers have not been audited and the Board would need to determine timelines for the audits. However, he did advise that there will be a qualification in the auditor's reports should the Board choose not to go back to prior years.

Member Barrick advised that the Police Services Board is responsible for the financial oversight of the Niagara Regional Police Service and given policing is the single largest Regional expenditure; that responsibility is taken very seriously by Police Board Members. He questioned what process would be recommended by Deloitte.

Mr. Fergusson advised that Deloitte also audits other Regions outside of Niagara and that Deloitte does not specifically audit a Statement of Operations for police. Police related revenue, expenses and the additional items that appear on the balance sheet are included in the audit of each Region's financial statements. That being said, Mr. Fergusson advised that his recommendation would be to continue with the status quo as it was in prior years and focus on the revenues and expenses of the police service. He stated that the issue really lies with what the Board is comfortable with in terms of the current mandate and the current focus of the Board which may likely be the revenue and expenses as opposed to the receivables and payables of the police service.

Member Barrick referenced the audited statement for 2016 and raised concern of it being a single page document. He stated that in terms of public disclosure the current practice represents zero transparency and zero accountability and that a single page audited statement is not satisfactory especially given this organization operates with a \$145 million budget. He further referenced the audit performed for 2011 which included several financial statements for financial position, operations, change in net debt, cash flow, notes to financial statements, etc. Mr. Fergusson raised the question of what the Board is seeking be it for the auditors to provide assurance over the bank balance, the receivables, the payables, etc., or is the Board more interested in the revenues and expenses. The standard for a Canadian Statement of Operations audit is a single page document. However, the Board has the option to incorporate additional schedules to provide more detail on the expenditure lines.

Mr. Fergusson advised that Deloitte could provide sample audits to the Board to assist with determining the desired audit requirements and subsequent schedules to which Member Barrick supported. Member Barrick also requested that the draft engagement letter be reviewed by the Board prior to being executed by the Board Chair and Deloitte.

Ms. Rullo addressed the audit's work plan which will follow the engagement letter to advise that she will be attending a meeting on January 12th with Regional staff to develop a work plan based on the client assistant schedule provided by Deloitte. She stated that the timeline for police will be aligned with the Region's timeline and their plan is to discuss the audited statements in June. She advised that she will provide a status update to the Board on those discussions. Member Barrick supported a report back on those discussions through either a written report or verbal update.

Moved by: V. Stewart
Seconded by: K. Gansel

That Deloitte provide the Board with a Draft Engagement Letter for Board approval at the January 25, 2018 meeting.

Carried.

OTHER BUSINESS

There was no other business reported.

ADJOURNMENT

The Public Finance Committee Meeting adjourned at 10:54 am.

Bob Gale, Chair

Deb Reid, Executive Director