

Audit Committee

AGENDA

June 11, 2019 – 6:30 pm

Meeting Location: Stormont Room, Board Office Administrative Building
225 Central Ave. West, Brockville, Ontario K6V 5X1

School Board Members: David McDonald, John McCrea, Corina Parisien, John McAllister

External Members: Craig Fowler

Administration: Stephen Sliwa-Director of Education, Diana Kingston-Comptroller of Finance, Kristi Carter-Recording Secretary

Guests: Andrew Newman-Lead Audit Engagement Partner KPMG, Vincent Trottier-Audit Manager KPMG, Genevieve Segu-Regional Internal Audit Manager (RIAT), Pasquale L'orfano-Regional Internal Auditor (RIAT), Deanna Perry-Superintendent of Schools, David Coombs-Superintendent of Schools, Phil Dawes-Superintendent of District Alignment, Jeremy Hobbs-Superintendent of HR and Operational Services, Sarah Crawford-Manager of Planning & Service Excellence

Regrets: Nigel White-External Member, Robert Backstrom-Superintendent of Business

AGENDA ITEM		NOTES
A1	Call to Order	
A2	Approval of Agenda June 11, 2019 – Meeting No. 39	
A3	Conflict of Interest Declaration(s)	
A4	Approval of Minutes – OPEN SESSION April 9, 2019 moved to April 23, 2019 – Meeting No. 38	OPEN SESSION Minutes Attached
A5	2019-20 Meeting Dates	OPEN SESSION Report
A6	Move into CLOSED SESSION	
A7	Report from CLOSED SESSION	
A8	2018-19 External Audit Plan – Executive Summary	OPEN SESSION Report
A9	❖ Adjournment Next Meeting: September 2019	

David McDonald
Chair, Audit Committee

Stephen Sliwa
Director of Education

UPCOMING AGENDA & ACTION ITEMS		TIMELINE
1.	Election of Chair	September 2019
2.	Proposed Ministry Report to Board	November 2019
3.	2020-21 Meeting Dates	June 2020
4.	2019-20 External Audit Plan – Executive Summary	June 2020

Audit Committee
Minutes of April 23, 2019
OPEN SESSION
Meeting No. 38

The meeting was held at the Upper Canada District School Board Office, 225 Central Avenue West, Brockville, Ontario.

School Board Members: David McDonald, John McCrea, Corina Parisien (via teleconference), John McAllister

External Members: Nigel White

Administration: Stephen Sliwa-Director of Education, Diana Kingston-Comptroller of Finance, Kristi Carter-Recording Secretary

Guests: Genevieve Segu-Regional Internal Audit Manager (RIAT), Pasquale L'Orfano-Regional Internal Auditor (RIAT), Roger Richard-Senior Business Consultant

Regrets: Craig Fowler-External Member, Robert Backstrom-Superintendent of Business;

A1	Meeting was called to order by D. McDonald, Chair, at 6:20 p.m.
A2	<u>Approval of Agenda</u> Moved by N. White, seconded by J. McCrea, that the agenda for the April 9, 2019 changed to April 23, 2019, Meeting No. 38 be approved. Carried.
A3	<u>Conflict of Interest Declaration(s)</u> No conflict of interest declarations were received.
A4	<u>Approval of Minutes – OPEN SESSION</u> Moved by N. White, seconded by J. McCrea, that the minutes for the February 12, 2019 changed to March 20, 2019 Meeting No. 37 be approved. Carried.
A5	<u>Move into CLOSED Session</u> Moved by C. Parisien, seconded by N. White, that the Upper Canada District School Board Audit Committee move into Closed Session ~ April 23, 2019. Carried.
A6	<u>Rise and Report</u> The Upper Canada District School Board received reports and discussed the following: <ul style="list-style-type: none"> • Regional Internal Audit Update • Policy Related Matters – Annual Review of all Policies to Assess High Risk
A9	❖ Adjournment ❖ Next Meeting – June 11, 2019 Moved by N. White, seconded by C. Parisien, that the Upper Canada District School Board Audit Committee adjourn at 7:30 pm. Carried.

David McDonald
Chair, Audit Committee

Stephen Sliwa
Director of Education

**Audit Committee
OPEN SESSION
Report**

June 11, 2019 – 6:30 pm

Item A5	2019-20 Meeting Dates
Purpose	<ul style="list-style-type: none"> To set the 2019-20 meeting dates of the Audit Committee.
Content	<ul style="list-style-type: none"> The Audit Committee is mandated to meet at least three (3) times in each fiscal year and ensure the first meeting of each fiscal year is no later than September 30th as per Ontario Regulation 361/10; excerpt below: <p>Meetings</p> <p>11. (1) An audit committee of a board shall meet at least three times in each fiscal year at the call of the chair of the committee, and at such other times as the chair considers advisable. O. Reg. 361/10, s. 11 (1).</p> <p>(2) The first meeting of the audit committee in each fiscal year after the 2011 year shall take place no later than September 30. O. Reg. 361/10, s. 11 (2).</p> Following the meeting dates from previous years, the 2019-20 suggested meeting dates are as follows: <ul style="list-style-type: none"> o Tuesday, September 10, 2019 o Monday, November 11, 2019 o Tuesday, February 11, 2020 o Tuesday, April 7, 2020 o Tuesday, June 9, 2020
Appendices	
Recommendation	<p>THAT the Upper Canada District School Board Audit Committee set the following meeting dates for 2019-20...</p>

**Audit Committee
OPEN SESSION**

June 11, 2019 – 6:30 pm

Item A6	Move into CLOSED SESSION
Recommendation	THAT the Upper Canada District School Board Audit Committee moves into CLOSED SESSION ~ June 11, 2019

**Audit Committee
OPEN SESSION**

June 11, 2019 – 6:30 pm

Item A7	REPORT FROM CLOSED SESSION
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**Audit Committee
OPEN SESSION
Report**

June 11, 2019 – 6:30 pm

Item A8	2018-19 External Audit Plan – Executive Summary
Purpose	<ul style="list-style-type: none"> To share the 2018-19 External Audit Plan – Executive Summary
Content	<ul style="list-style-type: none"> Annually KPMG, the Board’s external audit firm, prepares and presents their audit plan for the consideration of the Audit Committee. This sets the stage for the preparation and presentation of the 2018-19 Audited Financial Statements in November 2019. Attached, the Committee will find a copy of the Executive Summary of the proposed plan for 2018-19.
Appendices	A8 - Audit Planning Report – Executive Summary for the Year Ended August 31, 2019
Recommendation	THAT the Upper Canada District School Board Audit Committee adopts the Annual Audit Plan – Executive Summary as presented by Chair of the Audit Committee, David McDonald, on behalf of KPMG.

Upper Canada District School Board

Audit Planning Report
for the year ending March 31, 2019

KPMG LLP

Prepared on June 4th for the Audit
Committee meeting on June 11th, 2019

kpmg.ca/audit



Executive summary



Audit and business risks

Our audit is risk-focused. In planning our audit of the financial statements of the Upper Canada District School Board ('the Board', 'UCDSB') we have taken into account key areas of focus for financial reporting. These include:

- Revenues and receivables
- Employee Future Benefit Liabilities (EFB)
- Personnel Costs
- Operating Expenses (non-Personnel) including related Accounts Payable and Accrued Liabilities
- Cash

See pages 4 to 6.



Audit materiality

Materiality has been determined based on prior year total expenses and has been set at \$8 million for the year ending August 31, 2019.

See page 7.

Executive summary



Independence and Quality Control

We are independent and have extensive quality control and conflict checking processes in place. We provide complete transparency on all services and follow Audit Committee approved protocols.



Proposal Fess

Proposed fees for the annual audit are \$58,850.

See page 12.







Current developments and Audit Trends

Please refer to page 13 and Appendix 5 for relevant accounting and/or auditing changes relevant to the Board and relevant audit trends.

This Audit Planning Report should not be used for any other purpose or by anyone other than the Audit Committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Planning Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Highly talented and experienced team

Team member	Background / experience	Discussion of role
 <p>Andrew Newman, FCPA, FCA Lead Audit Engagement Partner Tel: (613) 212-2877 andrewnewman@kpmg.ca</p>	<ul style="list-style-type: none"> Andrew has over 25 years of experience serving not-for-profit organizations. Andrew is KPMG Canada's National Leader, Education, and co-leads Ottawa's Public Sector practice. Andrew is also Vice-Chair of the Public Sector Accounting Board of Canada. Andrew is a graduate of Athens District High School 	<ul style="list-style-type: none"> Andrew will be responsible for the quality and timeliness of our work and the conclusions reached by the engagement team. He will provide the overall direction for audit and related services, and will have frequent and direct contact with UCDSB. Andrew will help ensure UCDSB receives the full benefit of our audit and specialist resources on a timely and effective basis.
 <p>Rob Clayton, CPA, CA Other Engagement Partner Tel: (613) 212-3601 rclayton@kpmg.ca</p>	<ul style="list-style-type: none"> Rob has over 15 years of experience serving not-for-profit organizations, including school boards. Rob co-leads KPMG's Ottawa Public Sector Practice. Rob is a graduate of Thousand Islands Secondary School 	<ul style="list-style-type: none"> Andrew has a KPMG-mandated sabbatical from October to December 2019. As such, Rob Clayton will assume engagement partner duties for the finalization of the financial statement audit. Andrew and Rob will work together on the transition and Andrew will remain available to provide input during his sabbatical.
 <p>Vincent Trottier, CPA, CA Audit Manager Tel: (613) 350-1248 vtrottier@kpmg.ca</p>	<ul style="list-style-type: none"> Vincent has over six years' experience serving not-for-profit organizations. Vincent is a key member of KPMG's public sector audit practice group in Ottawa. This is Vincent's fifth year serving UCDSB. Vincent is our local champion for the implementation of Data & Analytics in the Audit. 	<ul style="list-style-type: none"> Vincent will work closely with Andrew in developing and executing the audit strategy. He will be responsible for the direct supervision and management of the audit, the development of the detailed audit approach, the identification of financial reporting and operational efficiency issues, as well as review of the audit. Vincent will be on site regularly during the audit period and will be your main point of contact throughout the year.
 <p>Monika Singh, CPA, CA Senior Accountant Tel: 613-350-1256 monikasinh2@kpmg.ca</p>	<ul style="list-style-type: none"> Monika is a member of KPMG's public sector audit practice group in Ottawa and has worked almost exclusively with not-for-profit organizations during her time at KPMG. This is Monika's third year serving UCDSB and her second year leading the on-site team. 	<ul style="list-style-type: none"> Monika will lead our on-site audit team at UCDSB, and will be responsible for the performance of our audit work.



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**Audit Committee
OPEN SESSION**

June 11, 2019 – 6:30 pm

Item A9	ADJOURNMENT
Recommendation	THAT the Upper Canada District School Board Audit Committee adjourn ~ June 11, 2019