

Audit Committee
AGENDA
June 9, 2020 – 6:00 pm
Meeting Location: Via Microsoft Teams

- School Board Members:** David McDonald, John McCrea, Corina Parisien, John McAllister
- External Members:** Nigel White, Craig Fowler
- Administration:** Stephen Sliwa-Director of Education, Jeremy Hobbs-Executive Superintendent of Business Services, Diana Kingston-Comptroller of Finance, Kristi Carter-Recording Secretary
- Guests:** Ron Ferguson-Superintendent of Human Resources, Susan Rutters-Superintendent of Schools, Deanna Perry-Superintendent of Schools, Marsha McNair-Superintendent of Schools, Wendy Lampkie-Human Resources Manager of Specialist Services, April Scott-Clark-Communications Manager, Sarah Crawford-Manager of Planning and Service Excellence, Genevieve Segu-Regional Internal Audit Manager (RIAT), Pasquale L’Orfano-Regional Internal Auditor (RIAT), Annick Blanchard-External Audit Partner (BDO Canada), Paul Gillespie-External Audit Manager (BDO Canada)

Regrets:

AGENDA ITEM		NOTES
A1	Call to Order	
A2	Approval of Agenda June 9, 2020 – Meeting No. 44	
A3	Conflict of Interest Declaration(s)	
A4	Approval of Minutes – OPEN SESSION February 11, 2020 – Meeting No. 42 (Meeting No. 43 scheduled for April 7, 2020 was cancelled)	OPEN SESSION Minutes Attached
A5	2020-21 Meeting Dates	OPEN SESSION Report
A6	Regional Internal Audit Report	OPEN SESSION Verbal Report
A7	2019-20 External Audit Plan – Executive Summary	OPEN SESSION Report
A8	Move into CLOSED SESSION	
A9	Report from CLOSED SESSION	
A10	❖ Adjournment Next Meeting: September 2020	

David McDonald
Chair, Audit Committee

Stephen Sliwa
Director of Education

UPCOMING AGENDA & ACTION ITEMS		TIMELINE
1.	Election of Chair	September 2020
2.	Proposed Ministry Report to Board	November 2020
3.	2021-22 Meeting Dates	June 2021
4.	2020-21 External Audit Plan – Executive Summary	June 2021

Audit Committee
Minutes of February 11, 2020
OPEN SESSION
Meeting No. 42

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 (via teleconference), Corina Parisien (via teleconference), John McAllister
- External Members:** Nigel White, Craig Fowler
- Administration:** Stephen Sliwa-Director of Education, Diana Kingston-Comptroller of Finance, Kristi Carter-Recording Secretary
Deanna Perry-Superintendent of Schools, Susan Rutters-Superintendent of Schools, Sarah Crawford-Manager of Planning and Service Excellence, April Scott-Clarke-Manager of Communications (via teleconference), Wendy Lampkie-Manager of Human Resources Specialist Services, Genevieve Segu-Regional Internal Audit Manager (RIAT), Pasquale L'Orfano-Regional Internal Auditor (RIAT),
- Guests:** Jeremy Hobbs-Executive Superintendent of Business Services, Ron Ferguson-Superintendent of Human Resources
- Regrets:**

A1	Meeting was called to order by D. McDonald, Chair, at 6:30 p.m.
A2	<u>Approval of Agenda</u> Moved by N. White, seconded by C. Fowler, that the agenda for the February 11, 2020, Meeting No. 42 be approved. Carried.
A3	<u>Membership</u> N. White appointed to the committee for a 2nd 2-year term, ending February 2022.
A4	<u>Conflict of Interest Declaration(s)</u> No conflict of interest declarations were received.
A5	<u>Approval of Minutes – OPEN SESSION</u> Moved by J. McCrea, seconded by N. White, that the minutes for the November 11, 2019, Meeting No. 41 be approved. Carried.
A6	<u>Regional Internal Audit (RIA) Update</u> G. Segu, RIA Manager, presented an update on RIA activities since November 2019: <ol style="list-style-type: none"> 1. Cyber Security Review This project is being conducted across all 9 boards in our region. The Ministry of Government Services (MGS) has developed a new cyber security framework they plan to roll out to all Ontario school boards. A preferred vendor for conducting the review has been chosen and will be announced soon. G. Segu is targeting the end of June or early September for reporting back to the committee, as she is still in the process of finalizing the details of the audit due to the change in scope to include all boards in the region. This is in keeping with the Auditor General's recommendation to roll out audits across regions, and not just individual boards. 2. Procurement Gap Analysis This audit is not yet started. The target for completion and reporting back to the committee is June 2020. This audit is a benchmarking exercise, comparing purchasing policies across the region to the Broader Public Sector (BPS) procurement guideline to and identify where gaps exist. 3. Strategic Risk Assessment This is also a region-wide project. The risk assessment overview webinar from November 22, 2019 has been recorded and shared for future reference. On January 15, 2020 a regional workshop was held in Ottawa, which consisted of a 3-hour overall risk conversation/workshop

Audit Committee
Minutes of February 11, 2020
OPEN SESSION
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	<p>with Directors and Business Superintendents from across the region. From this workshop a risk register has been started with risks common to all boards in the region. The UCDSB workshop is scheduled for March 30th and includes the Director and all Superintendents. The output will be a risk register for UCDSB that includes risks identified regionally (but assessed locally) as well as locally. The multi-year internal audit plan will be developed from the risk register. G. Segu plans to report back to this committee in June, but this will depend on the timelines of the other boards for finalizing the regional component.</p> <p>Moved by J. McCrea, seconded by C. Fowler, THAT the Upper Canada District School Board Audit Committee receives for information the Regional Internal Audit update.</p> <p align="right">Carried.</p>
A7	<p><u>Move into CLOSED Session</u> Moved by N. White, seconded by J. McCrea, that the Upper Canada District School Board Audit Committee move into Closed Session ~ February 11, 2020.</p> <p align="right">Carried.</p>
A8	<p><u>Rise and Report</u></p> <p>The Upper Canada District School Board received reports and discussed the following:</p> <ul style="list-style-type: none"> • Monitoring Compliance Status Reports for High Risk Policies • Regional Internal Audit Update
A9	<p>❖ Adjournment ❖ Next Meeting – April 7, 2020</p> <p>Moved by C. Fowler, seconded by N. White, that the Upper Canada District School Board Audit Committee adjourn at 8:04pm.</p> <p align="right">Carried.</p>

David McDonald
Chair, Audit Committee

Stephen Sliwa
Director of Education

**Audit Committee
OPEN SESSION
Report**

June 9, 2020 – 6:00 pm

Item A5	2020-21 Meeting Dates
Purpose	<ul style="list-style-type: none"> To set the 2020-21 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 2020-21 suggested meeting dates are as follows: <ul style="list-style-type: none"> Tuesday, September 15, 2020 Monday, November 9, 2020 Tuesday, February 9, 2021 Tuesday, April 13, 2021 Tuesday, June 8, 2021
Appendices	
Recommendation	<p>THAT the Upper Canada District School Board Audit Committee set the following meeting dates for 2020-21...</p>

**Audit Committee
OPEN SESSION
Report**

June 9, 2020 – 6:00 pm

Item A6	Regional Internal Audit
Purpose	<ul style="list-style-type: none"> To provide the Audit Committee with an update from the Regional Internal Audit Manager.
Content	<ul style="list-style-type: none"> A verbal update will be provided by G. Segu at the time of the meeting
Appendices	None
Recommendation	THAT the Upper Canada District School Board Audit Committee accepts the verbal update of the Regional Internal Audit Manager.

**Audit Committee
OPEN SESSION
Report**

June 9, 2020 – 6:00 pm

Item A7	2019-20 External Audit Plan – Executive Summary
Purpose	<ul style="list-style-type: none"> To share the 2019-20 External Audit Plan – Executive Summary
Content	<ul style="list-style-type: none"> Annually, 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 2019-20 Audited Financial Statements in November 2020. Attached, the Committee will find a copy of the Executive Summary from BDO Canada of the proposed plan for 2019-20.
Appendices	A7 - Audit Planning Report – Executive Summary for the Year Ended August 31, 2020
Recommendation	THAT the Upper Canada District School Board Audit Committee adopts the Annual Audit Plan – Executive Summary as presented.



UPPER CANADA DISTRICT SCHOOL BOARD

EXECUTIVE SUMMARY OF THE AUDIT PLANNING REPORT TO THE AUDIT COMMITTEE

June 9, 2020

EXECUTIVE SUMMARY

Your BDO Audit Team

Annik Blanchard, CPA, CA will be the lead on the engagement team, supported by experts as deemed necessary. Please refer to page 3 and 4 for contact information should you have any questions or concerns regarding the financial statement audit.

Timeline

The year-end audit is scheduled to start on October 13, 2020. See the Audit Timeline section of the report for the detailed milestones.

Significant Audit Risks

Our audit is focused on risks specific to your business and key accounts. Specifically, we have identified the following areas on which to focus:

- ▶ Management override of controls
- ▶ Grant revenue and grants receivable

Materiality

We have determined that materiality for the current year audit will be based on 2.5% of revenues. Materiality is planned at \$9,400,000 for the year ending August 31, 2020.

Fees

We estimate our fees for 2020 will be \$48,000 for the audit of the consolidated financial statements, based on the assumptions outlined in the Fees section of this report.

Engagement Objectives

Our overall responsibility is to form and express an opinion on the financial statements. The performance of this audit does not relieve management or those charged with governance of their responsibilities.

Fraud Discussion

Through our planning process we have developed an understanding of your oversight processes. We are not currently aware of any fraud affecting the Board.

If you are aware of changes to processes or are aware of any instances of actual, suspected or alleged fraud affecting the Board, we request that you provide us with this information.

YOUR DEDICATED BDO TEAM



ANNIK BLANCHARD, CPA, CA
Partner
ablanchard@bdo.ca
Direct: 613-237-9331 x 2936

Annik has over 19 years of public accounting experience and is the engagement partner for many not-for-profit and public sector organizations in the National Capital Region. She is also the Not-For-Profit Industry lead for the National Capital Region group of offices. Annik was named as a 2018 Forty under 40 recipient from the Ottawa Business Journal and Ottawa Chamber of Commerce.

Annik will ensure that the School Board receives excellent service from the engagement team. She will take ultimate responsibility for the quality of the services we provide. She will be available to address any questions, concerns or issues, and will attend audit meetings and will respond to enquiries.



PAUL GILLESPIE, CPA
Manager
pgillespie@bdo.ca
Direct: 613-237-9331 x 4635

Paul Gillespie has over 6 years of audit experience, working with various organizations. Paul is an audit manager for many private and not-for-profit entities.

Paul will be responsible for the overall project planning and execution, including on-site visits and supervision of staff. He will communicate with the other team members to ensure they are meeting all service and cost expectations and will bring in additional resources as needed. He has extensive experience planning, directing and completing audits, developing and supervising staff and reviewing technical accounting issues.



DARAH LEITH, CANDIDATE FOR THE CPA PROFESSION
Staff Accountant
dleith@bdo.ca
Direct: 613-237-9331 x 6484

Darah has two years of public accounting experience for public sector, NPO sector and private sector organizations. Darah will be responsible for the on site execution of the audit, including drafting the auditor's report and other deliverables.

YOUR DEDICATED BDO TEAM (CONTINUED)



OLIVIER BOIES, CANDIDATE FOR THE CPA PROFESSION

Staff Accountant
oboies@bdo.ca
Direct: 613-237-9331

Olivier has over two years of public accounting experience for public sector, NPO sector and private sector organizations.

Olivier will be responsible for the on site execution of the audit, including drafting the auditor's report and other deliverables.



FRANCINE PRÉVOST, LL.B.
HST Resource
fprevost@bdo.ca

Francine has 8 years of experience in indirect tax, having started her career with the CRA in their GST/HST rulings department.

Francine will be responsible for providing advice on any indirect tax issues during the audit.

IS Audit Specialist

An IS audit specialist will be used throughout the audit surrounding the computerized systems used at the Board.

**Audit Committee
OPEN SESSION**

June 9, 2020 – 6:00 pm

Item A8	Move into CLOSED SESSION
Recommendation	THAT the Upper Canada District School Board Audit Committee moves into CLOSED SESSION ~ June 9, 2020

**Audit Committee
OPEN SESSION**

June 9, 2020 – 6:00 pm

Item A9	REPORT FROM CLOSED SESSION
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**Audit Committee
OPEN SESSION**

June 9, 2020 – 6:00 pm

Item A10	ADJOURNMENT
Recommendation	THAT the Upper Canada District School Board Audit Committee adjourn ~ June 9, 2020