

Audit Committee

AGENDA

September 15, 2020 – 6:00 pm

Meeting Location: Via Microsoft Teams due to COVID-19 pandemic

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: Genevieve Segu-Regional Internal Audit Manager (RIAT), Pasquale L’Orfano-Regional Internal Auditor (RIAT), Marsha McNair-Superintendent of Schools, Deanna Perry-Superintendent of Schools, David Coombs-Superintendent of Schools, Dennis Koluk-Health & Safety Specialist

Regrets:

AGENDA ITEM		NOTES
A1	Call to Order	
A2	Approval of Agenda September 15, 2020 – Meeting No. 45	
	Election of Chair	OPEN SESSION Information, By-Law and Nomination Form
A3	Conflict of Interest Declaration(s)	
A4	Approval of Minutes – OPEN SESSION June 9, 2020 – Meeting No. 44	OPEN SESSION Minutes Attached
A5	Regional Internal Audit Update	OPEN SESSION Report
A6	Move into CLOSED SESSION	
A7	Report from CLOSED SESSION	
A8	❖ Adjournment Next Meeting: November 9, 2020	

David McDonald
Chair, Audit Committee

Stephen Sliwa
Director of Education

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

Audit Committee
OPEN SESSION
Election of Chair

September 15, 2020 – 6:00 pm

Information

The Election of Chair will be presided over by Jeremy Hobbs, Executive Superintendent of Business.

A sample nomination form has been included with the agenda package. To nominate a member (or yourself), please complete the nomination form in full, obtain electronic consent of the nominee (if not yourself), and submit electronically to the Recording Secretary, Kristi Carter, no later than 6:00 pm on Monday, September 14, 2020.

The Election of Chair By-Law 4.30 is provided below for reference.

Excerpt from the By-Laws of the Upper Canada District School Board

Election of Chair 4.30

Each member present shall vote in the election of the Chair, with the election being conducted in the following manner:

1. The nomination of each candidate for the position of Chair shall be in writing with the consent of the nominee, shall not require a second and self-nomination is permitted.
2. If, when nominations have been closed, there is one candidate, the candidate shall be declared Chair for the year and shall assume the duties of Chair.
3. If, when nominations have been closed, there is more than one candidate, an election by ballot shall be held to determine who shall be Chair for the year.
4. Nominees will be permitted to address the Board for no more than three minutes. The speaking order will be determined by the order in which the nominations were received.
5. In the case of an election, the presiding officer shall appoint two (2) scrutineers from administration.
6. The successful candidate must receive a clear majority of the votes cast.
7. In the event a Chair is not elected on the first ballot, the following procedure shall be followed:
 - a) the candidates shall draw lots if a clear majority is not attained (*when there are only two candidates; see 4.35 Lottery Process below*)
 - b) Where there are more than two candidates:
 - i) a second ballot shall be taken if a clear majority is not attained for any reason;
 - ii) the candidate with the least number of votes on the first ballot shall be dropped from the second ballot; and
 - iii) in the event that there is a tie for the least number of votes, all candidates tied shall be dropped from the second ballot except where such action will reduce the number of candidates to less than two (2), in which event the candidate or candidates to remain on the ballot shall be determined by lot.

4.35 Lottery Process

In the event of a tie-vote, a lottery shall be conducted as follows:

- i) A number of folded pieces of paper (4 times the number of candidates), one of which shall be marked, will be placed in a receptacle and the candidates shall draw in alphabetical order.
- ii) If there is not a winner on the first draw, a second draw will be made with the candidate who drew second on the previous draw drawing first, and the candidate who drew first on the previous draw drawing last, this rotation in drawing to continue until a winner has been declared.

**Audit Committee
OPEN SESSION
Election of Chair**

September 15, 2020 – 6:00 pm

**Nomination Form
for the
Position of Chair
Audit Committee
2020-2021**

I, nominate

.....

for the position of Chair of the Audit Committee of the Upper Canada District School Board.

CONSENT OF NOMINEE:

.....

Signature

**Audit Committee
Minutes of June 9, 2020
OPEN SESSION
Meeting No. 44**

The meeting was held via Microsoft Teams due to the COVID-19 pandemic.

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), Annik Blanchard-External Audit Partner (BDO Canada)

Regrets:

A1	Meeting was called to order by D. McDonald, Chair, at 6:00 p.m.
A2	<u>Approval of Agenda</u> Moved by C. Parisien, seconded by N. White, that the agenda for the June 9, 2020, Meeting No. 44 be approved. <p align="right">Carried.</p>
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 J. McCrea, seconded by C. Parisien, that the minutes for the February 11, 2020 Meeting No. 42 be approved. <p align="right">Carried.</p>
A5	<u>2020-21 Meeting Dates</u> <ul style="list-style-type: none"> • The Committee set the following meeting dates for 2020-21: <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 Moved by C. Fowler, seconded by N. White, that the Upper Canada District School Board Audit Committee set the meeting dates for 2020-21 as outlined. <p align="right">Carried.</p>
A6	<u>Regional Internal Audit</u> G. Segu, Regional Internal Audit Manager, provided the following verbal update at the meeting: <ul style="list-style-type: none"> • The Regional Internal Audit Team (RIAT) has been able to work remotely, as they were already set up well to do so due to the large geographic region they support. • School boards have had a lot to focus on in the initial stages of the pandemic, but overall have been able to complete engagements. • The Strategic Risk Assessment workshop planned initially for March 30th was ultimately not able to be rescheduled and is on hold until in-person meetings can take place again.

OPEN SESSION

Audit Committee
Minutes of June 9, 2020
OPEN SESSION
Meeting No. 44

	<ul style="list-style-type: none"> The Cyber security review is also on hold due to the pandemic as it was to be an in-person audit (workshop). This workshop can be done online but due to significant IT resources needed to focus on supporting distance learning, it will be scheduled at a later date. The Procurement gap analysis was completed as scheduled. <p>Moved by C. Parisien seconded by C. Fowler, that the Upper Canada District School Board Audit Committee accepts the verbal update of the Regional Internal Audit Manager.</p> <p align="right">Carried.</p>
A7	<p><u>2019-20 External Audit Plan – Executive Summary</u></p> <ul style="list-style-type: none"> D. Kingston introduced Annick Blanchard, Partner with BDO Canada, and thanked her and her team for the work conducted remotely to successfully complete the 7 – month report in May. A. Blanchard presented the 2019-20 External Audit Plan – Executive Summary: <ul style="list-style-type: none"> BDO Canada is excited to work with the UCDSB As stated by D. Kingston, the 7-month report was completed in May. For the audit of the Board’s Financial Statements, materiality is set at 2.5% of revenues, or \$9,400,000 for the year ending August 31, 2020. BDO’s audit approach will be similar to the Board’s previous audits. <p>Moved by J. McCrea, seconded by C. Fowler, that the Upper Canada District School Board Audit Committee adopts the 2019-20 External Audit Plan – Executive Summary as presented.</p> <p align="right">Carried.</p>
A8	<p><u>Move into CLOSED Session</u></p> <p>Moved by C. Parisien, seconded by N. White, that the Upper Canada District School Board Audit Committee move into Closed Session ~ June 9, 2020.</p> <p align="right">Carried.</p>
A9	<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"> 2019-20 External Audit Plan Policy Related Matters – Compliance Status Reports Policy Related Matters – Annual Review of All Policies to Assess High Risk Regional Internal Audit Report <ul style="list-style-type: none"> Procurement Procedures Review and Benchmarking Audit Regional Internal Audit: Model Review
A10	<ul style="list-style-type: none"> ❖ Adjournment ❖ Next Meeting – September 15, 2020 <p>Moved by C. Fowler, seconded by C. Parisien, that the Upper Canada District School Board Audit Committee adjourn at 7:45 pm.</p> <p align="right">Carried.</p>

David McDonald
Chair, Audit Committee

Stephen Sliwa
Director of Education

<p>Subject:</p> <p>Presented by:</p> <p>Meeting Date:</p>	<p>2019-20 Annual Report on Internal Audit Activities</p> <p>Geneviève Segu, Regional Internal Audit Manager</p> <p>September 15, 2020</p>
<p>Introduction</p>	<p>The Ontario East Regional Internal Audit Team (RIAT)'s work is regulated and guided by the following three main documents:</p> <ul style="list-style-type: none"> • Ontario Regulation 361/10: Audit Committees¹ (The Regulation); • The Regional Internal Audit Mandate (The Mandate); and • The International Professional Practices Framework (The Framework) from the Institute of Internal Auditors (IIA). <p>In accordance with these documents, the RIAM is pleased to present the Ontario-East RIAT's Annual Activities Report (the Report) to the Audit Committee. The contents of the Report include essential requirements under the Regulation, the Mandate and the Framework, such as:</p> <ul style="list-style-type: none"> • A confirmation of the independence of the audit activities; • A description of its function; • A confirmation of conformance with the Code of Ethics; and • A summary of the 2019-20 activities.
<p>Mandate & Purpose</p>	<p>Audit Committee members reviewed and approved the Ontario East Regional Internal Audit Team (RIAT)'s mandate at the September 2019 meeting.</p> <p>The mandate defines the purpose of the RIAT to “provide independent, objective assurance and consulting services designed to add value and improve the district school boards’ operations in the Ontario East region.” As per Ministry guidelines, Regional Internal Audit Teams across the province have developed an internal audit mandate, posted on their Host Board’s website.</p> <p>No changes have taken place with this mandate since its presentation to the Committee in September 10, 2019. The mandate is appended to this memorandum for your reference (see Appendix 1).</p>

¹ The full regulation is available at the following link: <https://www.ontario.ca/laws/regulation/100361>

<p>Independence</p>	<p>Independence is an essential component to building public trust and preserving objectivity and integrity associated with the internal audit function. To ensure this independence, RIAT reports:</p> <ul style="list-style-type: none"> • Functionally to each of the nine Audit Committees of the Ontario East region²; and • Administratively to the Senior Business Official of the host board, Ottawa Catholic School Board. <p>As required under the Mandate, and in alignment with the Framework, the RIAT staff henceforth confirm that they are not aware of any relationships with the School Board that may be perceived to bear on their independence.</p>
<p>Organizational Structure, Staffing and Professional Development</p>	<p>The RIAT consists of a team of two Internal Auditors, one Senior Internal Auditor and one Internal Audit Manager. All Auditors report directly to the Regional Internal Audit Manager.</p> <p>Each Auditor is responsible for audits at three of the nine school boards, as follows:</p> <ul style="list-style-type: none"> • Gord Champagne: Hastings Prince Edward DSB, Ottawa-Carleton DSB, Renfrew County DSB; • Pasquale L'orfanio: Limestone DSB, Ottawa Catholic SB, Upper Canada DSB; and • Portia Marcaida: Algonquin Lakeshore Catholic DSB, Catholic DSB of Eastern Ontario, Renfrew County Catholic DSB. <p>We are pleased to report that all positions within the team are currently filled with qualified staff. The professional designations held by the RIAT include:</p> <ul style="list-style-type: none"> • Chartered Professional Accountant (CMA and CGA); • Certified Internal Auditor (CIA); • Certified Information System Auditor (CISA); and • Certification in Risk Management Assurance (CRMA).

² The nine school boards in the Ontario East region are: Algonquin Lakeshore Catholic DSB, Catholic DSB of Eastern Ontario, Hastings Prince Edward DSB, Limestone DSB, Ottawa Catholic SB, Ottawa-Carleton DSB, Renfrew County Catholic DSB, Renfrew County DSB, Upper Canada DSB.

	<p>The governing bodies issuing the professional designations require that members complete continuing professional development/education on an annual basis to upkeep their proficiency and knowledge. This also includes an annual ethics training requirement. Each member of the RIAT received eight days of training, leveraging associations within the K-12 sector, the Public Sector as well as professional organizations. The following are the main topics of the RIAT training in the 2019-20 school year:</p> <ul style="list-style-type: none"> • Ethics; • Risk management; • Information technology and cybersecurity; and • Leadership skills. <p>In addition to full time staff, RIAT, resorts to co-sourcing when a specialist is required or resources are limited in the performance of an engagement. In 2019-20, RIAT engaged the following firms to assist with various projects across the portfolio:</p> <ul style="list-style-type: none"> • MNP with the new Strategic Risk Assessment process at eight of nine school boards; • KPMG with a portfolio-wide Cybersecurity engagement; and • Deloitte with employee absences data visualization engagements at three of the nine school Boards in the portfolio.
<p>Quality Assurance</p>	<p>The mandate requires that RIAT performs its function and operations in accordance with the Framework.</p> <p>Standard 1310 requires that both internal and external quality assessments be conducted on a periodic basis. The following provides further details on how the RIAM ensures quality and continuity in the RIAT's activities:</p> <ul style="list-style-type: none"> • Internally, the RIAM continuously ensures QA by performing activities such as: ongoing monitoring, reviewing of working papers and being present at exit interviews. In addition, the RIAT use an internal audit software³ with audit program templates based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO)

³ Pentana

	<p>framework⁴. A number of documents (such as the mandate and the final reports) developed by the collective of RIAMs in Ontario, are based on the Framework's standards of practice.</p> <ul style="list-style-type: none"> Externally, the RIAM is in the process of acquiring Quality Assessment services to be performed in 2020-21. This assessment also includes interviews with a selection of staff and Audit Committee members. The RIAM will communicate to the Audit Committee the result of the external QA, including a plan to remedy gaps, as required. 																				
<p>2019-20 RIAT Annual Plan Activities</p>	<p>As per the Ministry of Education's 2016: B10 memo⁵, each Board should receive a minimum of two engagements a year, in addition to follow-up procedures on recommendations issued for previous audits (where necessary).</p> <p>The RIAM, in collaboration with Management, prepares an annual or multiyear plan each year based on risk assessments and input from Management. The RIAM then provides the plan to the audit committee, for their approval and to make recommendations to the board of trustees.</p> <p><u>2019-20 Region-Wide Plan</u></p> <p>The following table presents a summary of the status of all RIAT engagements in the Ontario East Region:</p> <table border="1" data-bbox="430 1045 1503 1535"> <thead> <tr> <th>Engagement Type</th> <th>Completed⁶</th> <th>Work in Progress⁷</th> <th>Postponed due to Covid</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Assurance and Consulting</td> <td>12</td> <td>7</td> <td>1</td> <td>20</td> </tr> <tr> <td>Strategic Risk Assessment</td> <td></td> <td>1</td> <td>7</td> <td>8</td> </tr> <tr> <td>Follow-up</td> <td>9</td> <td></td> <td></td> <td>9</td> </tr> </tbody> </table>	Engagement Type	Completed ⁶	Work in Progress ⁷	Postponed due to Covid	TOTAL	Assurance and Consulting	12	7	1	20	Strategic Risk Assessment		1	7	8	Follow-up	9			9
Engagement Type	Completed ⁶	Work in Progress ⁷	Postponed due to Covid	TOTAL																	
Assurance and Consulting	12	7	1	20																	
Strategic Risk Assessment		1	7	8																	
Follow-up	9			9																	

⁴ See the following link for further information about COSO: <https://www.coso.org/Pages/default.aspx>

⁵ The complete list of B and SB memos can be found at this link: <https://efis.fma.csc.gov.on.ca/faab/Memos.htm>

⁶ Presented to AC in the 2019-20 school year.

⁷ Includes 3 engagements where the report is final but has not been presented to AC.

TOTAL	21	8	8	37
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RIAT staff also participated in 29 Audit Committee meetings, including four for this school board.

2019-20 School Board Plan

At the September 2019 Audit Committee meeting, Audit Committee members approved the following audit plan for the School Board:

Year	Audit	Status
2019-20	Procurement GAP Analysis	Completed
2019-20	Cyber Security Review	In Progress
2019-20	Strategic Risk Assessment	Postponed
2019-20	Follow-up Procedures	Completed

RIAT completed half of its 2019-20 plan and, due to the COVID-19 pandemic, postponed the completion of (i) the in-person Strategic Risk Assessment workshop and (ii) the completion of the Cybersecurity Review to October 2020.

2019-20 Follow-up Procedures

Following up on previous audit recommendations is a recurrent engagement on the yearly RIAT plan, where there are outstanding recommendations from previous audits.

Across the Region, in the spring of 2018, there were 298 recommendations outstanding, with 122 recommendations with an initial implementation date prior to 2018-19. In 2019-20, RIAT staff focused on following up these recommendations

	<p>and in the spring of 2020 there were 95 recommendations outstanding with only 5 dating prior to 2018-19.</p> <p>At this school board, RIAT conducted and presented follow-up procedures to the Audit Committee members in 2019-20. There are currently 5 recommendations outstanding compared to 11 a year prior. This indicates that Management is actively implementing previous audit recommendations.</p>
Recommendations	That the Upper Canada District School Board Audit Committee receives for information the 2019-20 Annual Report on Internal Audit Activities.
Appendix	Approved 2019-20 Regional Internal Audit Mandate – Ontario East.

OPEN SESSION



Regional Internal Audit Mandate

PURPOSE AND DEFINITION

The purpose of the regional internal audit team is to provide independent, objective assurance and consulting services designed to add value and improve the district school boards' operations in the Ontario East region. It helps the district school boards accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

ROLE

The regional internal audit activity is established by the Ministry of Education through the annual Grants for Student Needs funding. The oversight role of the Audit Committee of the Board of Trustees over the regional internal audit activity is established by Regulation 361/10.

PROFESSIONALISM

The regional internal audit activity will adhere to the Institute of Internal Auditors' mandatory guidance including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the regional internal audit activity's performance.

AUTHORITY

The regional internal audit activity, with strict accountability for confidentiality and the safeguarding of records and information is authorized full, free and unrestricted access to any and all of the district school boards' records, physical properties, and personnel pertinent to carrying out any engagement. All school board employees are requested to assist the regional internal audit team in fulfilling its responsibilities. The regional internal audit team will also have free and unrestricted access to school board leaders and to the Audit Committee of the Board of Trustees.

ORGANIZATION

The internal audit function follows a regional model. The function consists of a Regional Internal Audit Manager responsible to district school boards in one of the eight regions in the province of Ontario as identified by the Ministry of Education. The Regional Internal Audit Manager will report functionally to their regional audit committees of the Boards of Trustees and administratively are supported by a host school board Senior Business Official. Every effort is made to adequately staff the internal audit function, within available financial resources, in order to perform its audit activities.

Each Audit Committee of the Board of Trustees will for their Board:

- Approve the regional internal audit mandate;
- Recommend for approval the risk based internal audit plan;
- Receive information from the Regional Internal Audit Manager about the internal audit activity performance to plan and other relevant matters;
- Inquire of the Regional Internal Audit Manager and the Senior Business Official whether there are resource or scoping limitations; and
- Review annually the performance of the regional internal audit activity and provide the Board of Trustees with their comments regarding the performance of the Regional Internal Audit Manager.

The Regional Internal Audit Manager will interact directly with the Audit Committee of the Board of Trustees, including in-camera sessions and between audit committee meetings as appropriate.

INDEPENDENCE AND OBJECTIVITY

The regional internal audit activity will remain free from interference by any element in the district school board including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of a necessary independent and objective mental attitude.

Regional internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair judgment.

Regional internal auditors will exhibit the highest standards of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Regional Internal Audit Manager will confirm to the Audit Committee of the Board of Trustees, at least annually, the organizational independence of the internal audit activity.

RESPONSIBILITY

The scope of work of the regional internal audit team encompasses but is not limited to:

- Evaluating risk exposure relating to the achievement of the district school board's strategic objectives;
- Evaluating the reliability and integrity of information and the means used to identify measure, classify and report information;
- Evaluating the systems which ensure compliance with policies, procedures, applicable laws and regulations which impact the district school board;
- Evaluating whether resources are acquired economically, used efficiently, and are adequately protected;
- Evaluating operations and processes to ascertain whether results are consistent with established objectives and whether processes are functioning as planned;
- Performing consulting and advisory services or assessments of specific operations as requested by the Audit Committee of the Board of Trustees or district school board management as appropriate;
- Evaluating the effectiveness of the district school board's risk management and governance processes;
- Reporting periodically on the regional internal audit performance against plans; and
- Reporting significant risk exposures and control issues, including fraud risks, governance issues and other matters requested by the Audit Committee of the Board of Trustees.

INTERNAL AUDIT PLAN

Annually, the Regional Internal Audit Manager will submit to district school board management and to the Audit Committee of the Board of Trustees an internal audit plan for recommendation to their Board of Trustees for approval. If there are any resource limitations or interim changes, these will be communicated.

The internal audit plan will be developed based on a prioritization of the internal audit universe using a risk based methodology which includes input of district school board management. The Regional Internal Audit Manager will review and adjust the plan as required in response to changes in the risk profile. Any significant deviation from the approved internal audit plan will be communicated through periodic status reports. The Regional Internal Audit Manager or any of his or her team may initiate and conduct any other audit or review deemed necessary for potential illegal acts, fraud, abuse, or misuse of funds. Reasonable notice shall be given to appropriate personnel of intent to audit in their areas except when conditions warrant an unannounced audit.

REPORTING AND MONITORING


Opportunities for improving internal control may be identified during audits. A written report will be issued by the Regional Internal Audit Manager at the conclusion of each audit and will be distributed according to the school board's requirements. (This could include the head of the audited activity or department, the director of education, the audit committee and the external auditor of the district school board.)

Each report will describe opportunities to strengthen district school board risk, internal control and governance processes and conclude on the adequacy and effectiveness of the processes. The district school board management will provide action plans and timelines to address each opportunity (observation). The regional internal audit team is responsible to perform appropriate follow-up procedures to attest to the completion of action plans. Significant observations will remain in an open issue status until cleared.

QUALITY ASSURANCE

The regional internal audit team will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity and conformance with the International Standards for the Professional Practice of Internal Auditing.

The Regional Internal Audit Manager will communicate to district school board management and the Audit Committee of the Board of Trustees on the internal audit activity's quality assurance and improvement program, including the results of ongoing internal assessments and external assessments conducted as appropriate, usually on a five-year cycle.



Regional Internal Audit Manager



Audit Committee Chair



Director of Education

September 10, 2019 _____

Dated

DEFINITION OF SELECTED TERMS

Add Value	Value is provided by improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.
Advisory/Consulting Services	Advisory and related client service activities, the nature and scope of which are agreed to with the client and which are intended to add value and improve a school board's governance, risk management and control processes without the regional internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.
Assurance	An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Results can be relied upon for supporting informed decision making.
Board of Trustees	A legislative body that that has overall responsibility and accountability for the district school board. For purposes of this Mandate, this also includes committees that support the Board of Trustees including the audit committee.
Compliance	Conformity and adherence to policies, plans, procedures, laws, regulations, contracts or other requirements.
Control Environment	The attitude and actions of the Board of Trustees and district board management regarding the significance of control within the organization. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements: <ul style="list-style-type: none"> <input type="checkbox"/> Integrity and ethical values. <input type="checkbox"/> Management's philosophy and operating style. <input type="checkbox"/> Organizational structure. <input type="checkbox"/> Assignment of authority and responsibility. <input type="checkbox"/> Human resource policies and practices. <input type="checkbox"/> Competence of personnel.
Control/Internal Controls	Any action taken by district board management and other parties to enhance risk management and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved. <p>The system of management controls (business plans, capturing and analyzing data, performance reporting, code of conduct, etc.) that are implemented within a school board to ensure that assets (human, physical and information) are protected and to provide reasonable assurance that its objectives can be achieved.</p>

Control Processes	The policies, procedures and activities that are part of a control framework, designed to ensure that risks are contained within the risk tolerances established by the risk management process.
Fraud	Any illegal acts characterized by deceit, concealment or violation of trust. These acts are not dependent upon the application of threat of violence or of physical force. Frauds are perpetrated by parties and organizations to obtain money, property or services; to avoid payment or loss of services; or to secure personal or business advantage.
Governance	The combination of processes and structures implemented by the Board of Trustees in order to inform, direct, manage and monitor the activities of the organization toward the achievement of its objectives.
In-camera	A separate discussion between members of the Audit Committee and the (<i>insert title here</i>) promoting open communication and discussion of any sensitive issues or problems.
Independence	The freedom from conditions that threaten objectivity or the appearance of objectivity. Such threats to objectivity must be managed at the individual auditor, engagement, functional and organizational levels.
Objectivity	An unbiased mental attitude that allows regional internal auditors to perform engagements in such a manner that they have an honest belief in their work product and that no significant quality compromises are made. Objectivity requires regional internal auditors to not subordinate their judgment on audit matters to that of others.
Risk	Effect of uncertainty on objectives or outcomes.
Risk Management	A structured and disciplined approach aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the risks an organization faces. Overall, it is about choices made under conditions of uncertainty, balanced by acceptable levels of risk.

**Audit Committee
OPEN SESSION**

September 15, 2020 – 6:00 pm

Item A6	Move into CLOSED SESSION
Recommendation	THAT the Upper Canada District School Board Audit Committee moves into CLOSED SESSION ~ September 15, 2020

**Audit Committee
OPEN SESSION**

September 15, 2020 – 6:00 pm

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

September 15, 2020 – 6:00 pm

Item A8	ADJOURNMENT
Recommendation	THAT the Upper Canada District School Board Audit Committee adjourn ~ September 15, 2020