

Audit Committee
AGENDA
June 8, 2021 – 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, Valerie Allen-Director Designate, 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), Annick Blanchard-External Audit Partner (BDO Canada), Paul Gillespie-External Audit Manager (BDO Canada), Ron Ferguson-Superintendent of Human Resources, Deanna Perry-Superintendent of Schools, Brad Notman-Manager of Purchasing and Admin. Services, Dennis Koluk-Health and Safety Specialist, Karen Thompson-Information/Records Management Specialist

Regrets:

| AGENDA ITEM | | NOTES |
|-------------|--|----------------------------------|
| A1 | Call to Order | |
| A2 | Approval of Agenda June 8, 2021 – Meeting No. 49 | |
| A3 | Conflict of Interest Declaration(s) | |
| A4 | Approval of Minutes – OPEN SESSION April 13, 2021 – Meeting No. 48 | OPEN SESSION Minutes Attached |
| A5 | 2021-22 Meeting Dates | OPEN SESSION Report |
| A6 | 2020-21 External Audit Plan – Executive Summary | OPEN SESSION Report |
| A7 | Regional Internal Audit Update | OPEN SESSION Report |
| A8 | Move into CLOSED SESSION | |
| A9 | Report from CLOSED SESSION | |
| A10 | ❖ Adjournment Next Meeting: TBD | |

David McDonald
Chair, Audit Committee

Stephen Sliwa
Director of Education

| UPCOMING AGENDA & ACTION ITEMS | | TIMELINE |
|--------------------------------|--|----------------|
| 1. | Election of Chair | September 2021 |
| 2. | Proposed Ministry Report to Board | November 2021 |
| 3. | 2022-23 Meeting Dates | June 2022 |
| 4. | 2021-22 External Audit Plan – Executive Summary | June 2022 |

Audit Committee
Minutes of April 13, 2021
OPEN SESSION
Meeting No. 48

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:** Genevieve Segu-Regional Internal Audit Manager (RIAT), Pasquale L'Orfano-Regional Internal Auditor (RIAT),
- Regrets:**

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| A1 | Meeting was called to order by D. McDonald, Chair, at 6:03 p.m. |
| A2 | <u>Approval of Agenda</u> Moved by C. Fowler, seconded by J. McCrea, that the agenda for the April 13, 2021, Meeting No. 48 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 C. Parisien, seconded by C. Fowler, that the minutes for the February 9, 2021, Meeting No. 47 be approved. <p align="right">Carried.</p> |
| A5 | <u>Regional Internal Audit Update</u> G. Segu presented an update to the UCDSB's 2020-21 Internal Audit Plan: <ul style="list-style-type: none"> • Update: <ul style="list-style-type: none"> ○ Strategic Risk Assessment <ul style="list-style-type: none"> ▪ The final workshop in the region has been completed ▪ The RIAT is compiling the workshop data and finalizing their report ▪ Next steps: Final report will be brought to the June 2021 meeting ○ Cyber Security Review <ul style="list-style-type: none"> ▪ This review is complete and RIAT is finalizing their report ▪ Next steps: Initial report will be issued for management comments and final report will be brought to the June 2021 meeting ○ Follow-up Procedures <ul style="list-style-type: none"> ▪ RIAT continues to follow up with management on outstanding recommendations from previous audits ▪ Next steps: Results of follow up will be brought to the June 2021 meeting ○ Management Request Engagement <ul style="list-style-type: none"> ▪ RIAT is in discussion management about a potential engagement but will likely need to wait until the 2021-22 school year due to system constraints as a result of the COVID-19 pandemic. ○ Critical Positions Engagement <ul style="list-style-type: none"> ▪ This is an engagement being conducted at all Boards in our region ▪ Due to the pandemic, most Human Resources departments are unable to allocate time to RIAT for this engagement, so most are postponed until the 2021-22 school year. |

Audit Committee
Minutes of April 13, 2021
OPEN SESSION
Meeting No. 48

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| | <ul style="list-style-type: none"> G. Segu has started working on the region-wide audit plan, but with the impact of the pandemic on management capacity, she will plan to present this item to Audit Committees in September, not June. |
| A6 | <p><u>Move into CLOSED Session</u> Moved by C. Fowler, seconded by J. McAllister, that the Upper Canada District School Board Audit Committee move into Closed Session ~ April 13, 2021.</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"> Policy Related Matters – Annual Review of All Policies to Assess High Risk |
| A9 | <ul style="list-style-type: none"> ❖ Adjournment ❖ Next Meeting – June 8, 2021 <p>Moved by C. Fowler, seconded by N. White, that the Upper Canada District School Board Audit Committee adjourn at 6:36 pm.</p> <p align="right">Carried.</p> |

David McDonald
Chair, Audit Committee

Stephen Sliwa
Director of Education

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**Audit Committee
OPEN SESSION
Report**

June 8, 2021 – 6:00 pm

| Item A5 | 2021-22 Meeting Dates |
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| Purpose | <ul style="list-style-type: none"> To set the 2021-22 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> As the Audit Committee typically meets the 2nd Tuesday of the meeting month, the 2021-22 suggested meeting dates are as follows: <ul style="list-style-type: none"> Tuesday, September 14, 2021 Monday, November 8, 2021 Tuesday, February 8, 2022 Tuesday, April 12, 2022 Tuesday, June 14, 2022 |
| Appendices | None |
| Recommendation | THAT the Upper Canada District School Board Audit Committee set the following meeting dates for 2021-22... |

**Audit Committee
OPEN SESSION
Report**

June 8, 2021 – 6:00 pm

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| Item A6 | 2020-21 External Audit Plan – Executive Summary |
| Purpose | <ul style="list-style-type: none"> To share the 2020-21 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 2020-21 Audited Financial Statements in November 2021. Attached, the Committee will find a copy of the Executive Summary from BDO Canada of the proposed plan for 2020-21. |
| Appendices | A6 - Audit Planning Report – Executive Summary for the Year Ended August 31, 2021 |
| 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 8, 2021

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 pages 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 12, 2021 with final completion scheduled for the week of October 22, 2021. 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
- ▶ Employee future benefits

Materiality

We have determined that materiality for the current year audit will be based on 2.75% expenses. Materiality is planned at \$9,800,000 for the year ended August 31, 2021 based on the 2020 expenses.

Fees

We estimate our fees for 2021 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, and prior years' audits, 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

Annik has over 20 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 UCDSB 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.



SAMANTHA GILLESPIE, CPA, CA
Senior Manager
sgillespie@bdo.ca

Samantha has more than 10 years of public accounting experience, working with many not-for-profit entities in the National Capital Region and Montreal.

Samantha has in-depth knowledge of the Canadian generally accepted accounting principles (GAAP) including Canadian Accounting Standards for not-for-profit enterprises.

Samantha has extensive experience in planning, directing and completing assurance engagements, developing and supervising staff and reviewing technical accounting issues. She will supervise the engagement team and be available to management to address questions and concerns throughout the engagement.



OLIVIER BOIES, CPA
Staff Accountant
oboies@bdo.ca

Olivier has over three 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. He will also be responsible for supervising the audit team on site.

YOUR DEDICATED BDO AUDIT TEAM (CONTINUED)



**MELANIE MARGEL-NATHANSON,
CANDIDATE FOR THE CPA PROFESSION**

Staff accountant
mmargelnathanson@bdo.ca

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

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

HST Specialist

An HST Specialist will be used throughout the audit to provide 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
Report**

June 8, 2021 – 6:00 pm

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| Item A7 | Regional Internal Audit Update | | |
| Purpose | <ul style="list-style-type: none"> To provide the Audit Committee with an update from the Regional Internal Audit Manager, Geneviève Segu, on the progress of the 2020-21 Regional Internal Audit Team (RIAT) work. This report links with Regulation 361/10 in relation to the Audit Committee’s duties to the Internal Auditor 9(3) and the Board’s Internal Controls 9(2). | | |
| Content | <p>The Audit Committee approved the 2020-21 Audit Plan at the September 15, 2020 meeting. The following presents an update on the engagements:</p> | | |
| | Status | Audit & Scope | Schedule |
| | Complete | <p>Strategic Risk Assessment</p> <p>This is a region-wide initiative</p> <p>The goal is to facilitate the risk assessment at a high level in order to (i) provide Management with a risk register and (ii) align RIAT’s work with the main risks identified.</p> | <ul style="list-style-type: none"> 15 Jan 2020: Region-Wide In-Person Workshop 26 Oct 2020: Local Virtual Workshop 16 Feb 2021: Debriefed Senior Leadership on results of the risk assessment workshop 8 Jun 2021: Report to Audit Committee <p>Next Steps: Spring 2021: Develop Region-wide Internal Audit plan</p> |
| Complete | <p>Cyber Security Review</p> <p>This engagement aligns with the region-wide Strategic Risk Assessment which identified Cybersecurity as both a risk and an opportunity to promote the School Boards ability to safeguard IT systems to protect information and avoid service disruption.</p> <p>The output will provide the school board with a list of controls to prioritize in the implementation of a cybersecurity framework.</p> | <ul style="list-style-type: none"> February 2020: Presentation of the project to Eastern Ontario IT (EOIT) Managers 8 & 9 Oct 2020: Virtual workshop with EOIT Managers 22 Jan 2021: Region-wide risk assessment workshop results presentation to EOIT Managers. 1 Feb 2021: Met with school board’s IT Manager to validate and prioritize the implementation of the recommendations 8 Jun 2021: Report to Audit Committee | |

**Audit Committee
OPEN SESSION
Report**

June 8, 2021 – 6:00 pm

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| | Complete | Follow-up Procedures RIAT continues to follow-up on the remaining recommendations, as they come due. | <ul style="list-style-type: none"> 8 Jun 2021: Report to Audit Committee |
| | Not Initiated | Management Request Engagement To cover any important items that may be required during the school year. | If Requested |
| | Postponed | Critical Positions Engagement The scope is to provide Management with a current state assessment/inventory of all positions, outside of the schools. Each position is critical, key, support or specialist. | <ul style="list-style-type: none"> March 2021: Met with Management to discuss objective, logistics and possible timeframe. <p>Next Steps: Postponed to 2021-22 school year upon Management's request.</p> |
| Appendices | None | | |
| Recommendation | THAT the Upper Canada District School Board Audit Committee receives for information the Regional Internal Audit update. | | |

**Audit Committee
OPEN SESSION**

June 8, 2021 – 6:00 pm

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| Item A8 | Move into CLOSED SESSION |
| Recommendation | THAT the Upper Canada District School Board Audit Committee moves into CLOSED SESSION ~ June 8, 2021 |

**Audit Committee
OPEN SESSION**

June 8, 2021 – 6:00 pm

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

June 8, 2021 – 6:00 pm

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| Item A10 | ADJOURNMENT |
| Recommendation | THAT the Upper Canada District School Board Audit Committee adjourn ~ June 8, 2021 |