

Audit Committee
AGENDA
November 7, 2022 – 6:00 pm
Meeting Location: Via Microsoft Teams

- School Board Members:** David McDonald, John McCrea, Corina Parisien, John McAllister
- External Members:** Craig Fowler, Michael Kavcic
- Administration:** Ron Ferguson-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), Annik Blanchard-External Audit Partner (BDO Canada), Samantha Gillespie-External Audit Manager (BDO Canada)
- Regrets:**

| AGENDA ITEM | | NOTES |
|-------------|--|----------------------------------|
| A1 | Call to Order | |
| A2 | Approval of Agenda November 7, 2022 – Meeting No. 56 | |
| A3 | Conflict of Interest Declaration(s) | |
| A4 | Approval of Minutes – OPEN SESSION September 13, 2022 – Meeting No. 55 | OPEN SESSION Minutes Attached |
| A5 | Regional Internal Audit Update | OPEN SESSION Report |
| A6 | Move into CLOSED SESSION | |
| A7 | Report from CLOSED SESSION | |
| A8 | Proposed Ministry Report to Board | OPEN SESSION Report |
| A9 | ❖ Adjournment Next Meeting: Tuesday February 14, 2023 | |

David McDonald
Chair, Audit Committee

Ron Ferguson
Director of Education

| UPCOMING AGENDA & ACTION ITEMS | | TIMELINE |
|--------------------------------|--|---------------|
| 1. | Election of Chair (<i>postponed from September 2022 due to Municipal/Trustee Election October 24, 2022</i>) | February 2023 |
| 2. | 2023-24 Meeting Dates | June 2023 |
| 3. | 2022-23 External Audit Plan – Executive Summary | June 2023 |
| 4. | Proposed Ministry Report to Board | November 2023 |

Audit Committee
Minutes of September 13, 2022
OPEN SESSION
Meeting No. 55

The meeting was held via Microsoft Teams.

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

External Members: Craig Fowler, Michael Kavcic

Administration: Ron Ferguson-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), Eric Hardie-Executive Superintendent of Schools, Chad Brownlee-Superintendent of Human Resources, Deanna Perry-Superintendent of Schools

Regrets: John McCrea-Trustee

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| A1 | Meeting was called to order by D. McDonald at 6:02 p.m. |
| A2 | <u>Approval of Agenda</u> Moved by C. Parisien, seconded by J. McAllister, that the agenda for the September 13, 2022, Meeting No. 55 be approved. <p style="text-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. Fowler, seconded by C. Parisien, that the minutes for the June 21 changed from June 14, 2022 Meeting No. 54 be approved. <p style="text-align: right;">Carried.</p> |
| A5 | <u>Move into CLOSED Session</u> Moved by C. Parisien, seconded by C. Fowler, that the Upper Canada District School Board Audit Committee move into Closed Session ~ September 13, 2022. <p style="text-align: right;">Carried.</p> |
| A6 | <u>Rise and Report</u> The Upper Canada District School Board received reports and discussed the following: <ul style="list-style-type: none"> • Policy Related Matters – Monitoring Compliance Plans and Status Reports • Regional Internal Audit Update • 2021-22 Audit Committee Self-Assessment • 2021-22 Evaluation of Regional Internal Audit Team |
| A7 | <u>Regional Internal Audit Team (RIAT) Update</u> G. Segu took the committee through the 2021-22 annual report on internal audit activities as provided in the agenda package, noting that the internal audit team charter remains unchanged from when it was last presented to the committee in September 2021. Moved by C. Parisien, seconded by C. Fowler, that the Upper Canada District School Board Audit Committee receives for information: <ol style="list-style-type: none"> 1. The 2021-22 Annual Report on Internal Audit Activities; and 2. The signed Regional Internal Audit Team Charter. <p style="text-align: right;">Carried.</p> |

**Audit Committee
Minutes of September 13, 2022
OPEN SESSION
Meeting No. 55**

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| A8 | <p>❖ Adjournment ❖ Next Meeting – Monday, November 7, 2022</p> <p>Moved by C. Parisien, seconded by M. Kavcic, that the Upper Canada District School Board Audit Committee adjourn at 7:03pm.</p> <p style="text-align: right;">Carried.</p> |
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**David McDonald
Chair, Audit Committee**

**Ron Ferguson
Director of Education**

DRAFT

**Audit Committee
OPEN SESSION
Report**

November 7, 2022 – 6:00 pm

| Item A5 | 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 2022-23 Regional Internal Audit Team (RIAT) work. • This is in alignment with Ontario Regulation 361/10: Audit Committees (9) Duties of an Audit Committee 3(2 & 3). | | | | | | | | | | |
| Content | <p>2022-2023 Regional Internal Audit Plan Update</p> <p>The Audit Committee approved the 2022-23 Audit Plan at the September 13, 2022 meeting.</p> <p>The Sector, once again this year, faces several disruptive events such as collective agreement bargaining, trustee elections, and shortage with replacement staff (teachers, EAs) to name a few. The RIAT is aware of these additional pressures and will keep that in mind when initiating new work this year.</p> <p>The following presents an update on the engagements:</p> <table border="1" data-bbox="409 894 1477 1890"> <thead> <tr> <th data-bbox="409 894 574 940">Status</th> <th data-bbox="574 894 1110 940">Audit & Scope</th> <th data-bbox="1110 894 1477 940">Schedule</th> </tr> </thead> <tbody> <tr> <td data-bbox="409 940 574 1423">In Progress</td> <td data-bbox="574 940 1110 1423"> <p>Critical Positions</p> <p>Part of workforce planning processes, this engagement provides Management with a current state assessment of all central positions, outside of the schools. Each position is critical, key, support, or specialist. It also identifies and documents the succession and emergency plans in place for key and critical positions.</p> <p>Ontario East Region and other RIATs in the province have performed this engagement previously.</p> </td> <td data-bbox="1110 940 1477 1423"> <p>Audit field work completed. Draft report provided to Management for review.</p> <p>Next Steps: To report at next Audit Committee meeting.</p> </td> </tr> <tr> <td data-bbox="409 1423 574 1890">Not Initiated</td> <td data-bbox="574 1423 1110 1890"> <p>Workforce Planning</p> <p>The scope to be determined after the Critical Position engagement has been performed. This could focus on any of the following processes: job evaluations, recruitment & retention, employee satisfaction survey, key performance indicators (KPIs).</p> <p>RIAT is aware that the Human Resources (HR) Department will once again be heavily taxed this upcoming year with the collective agreements negotiations and will be mindful in their planning.</p> </td> <td data-bbox="1110 1423 1477 1890">TBD</td> </tr> </tbody> </table> | | Status | Audit & Scope | Schedule | In Progress | <p>Critical Positions</p> <p>Part of workforce planning processes, this engagement provides Management with a current state assessment of all central positions, outside of the schools. Each position is critical, key, support, or specialist. It also identifies and documents the succession and emergency plans in place for key and critical positions.</p> <p>Ontario East Region and other RIATs in the province have performed this engagement previously.</p> | <p>Audit field work completed. Draft report provided to Management for review.</p> <p>Next Steps: To report at next Audit Committee meeting.</p> | Not Initiated | <p>Workforce Planning</p> <p>The scope to be determined after the Critical Position engagement has been performed. This could focus on any of the following processes: job evaluations, recruitment & retention, employee satisfaction survey, key performance indicators (KPIs).</p> <p>RIAT is aware that the Human Resources (HR) Department will once again be heavily taxed this upcoming year with the collective agreements negotiations and will be mindful in their planning.</p> | TBD |
| Status | Audit & Scope | Schedule | | | | | | | | | |
| In Progress | <p>Critical Positions</p> <p>Part of workforce planning processes, this engagement provides Management with a current state assessment of all central positions, outside of the schools. Each position is critical, key, support, or specialist. It also identifies and documents the succession and emergency plans in place for key and critical positions.</p> <p>Ontario East Region and other RIATs in the province have performed this engagement previously.</p> | <p>Audit field work completed. Draft report provided to Management for review.</p> <p>Next Steps: To report at next Audit Committee meeting.</p> | | | | | | | | | |
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**Audit Committee
OPEN SESSION
Report**

November 7, 2022 – 6:00 pm

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| | Not Initiated | <p>School Generated Funds Fraud Flags Identification</p> <p>This engagement focuses on fraud indicators and red flags applied to a selection of schools across the school board, using Data Analytics as well as interviews and documentation review.</p> <p>This engagement was part of OASBO IA 2021-2022 work plan and an audit program was developed and communicated.</p> | Fall 2022/Winter 2023 |
| | Cyclical | <p>Follow-up Procedures</p> <p>This is a recurring item on RIAT’s annual plan.</p> <p>RIAT continues to follow-up on the remaining recommendations, as they come due.</p> | Ongoing |
| | As Needed | <p>Management Request Engagement</p> <p>To cover any important items that may be required to during the school year.</p> | If requested |
| Recommendation | THAT the Upper Canada District School Board Audit Committee receives for information the November 7, 2022 Regional Internal Audit Team update. | | |

**Audit Committee
OPEN SESSION**

November 7, 2022 – 6:00 pm

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| Item A6 | Move into CLOSED SESSION |
| Recommendation | THAT the Upper Canada District School Board Audit Committee moves into CLOSED SESSION ~ November 7, 2022 |

**Audit Committee
OPEN SESSION**

November 7, 2022 – 6:00 pm

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

November 7, 2022 – 6:00 pm

| Item A8 | Proposed Ministry Report to the Board of Trustees |
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| Purpose | <ul style="list-style-type: none"> • To provide to Audit Committee the proposed Ministry Report to the Board of Trustees. |
| Content | <ul style="list-style-type: none"> • There is a requirement for the Board of Trustees to review a report for submission to the Ministry of Education no later than January 15, 2023. • For the 2021-22 fiscal year, the Ministry of Education has provided a template for this report, rather than the letter format used by boards previously. • The draft report is attached. |
| Appendices | 2021-22 Audit Committee Annual Report to the Ministry of Education (draft) |
| Recommendation | <p>THAT the Upper Canada District School Board Audit Committee recommends that the Audit Committee Chair submit the report to the Upper Canada District School Board of Trustees at its November 30, 2022, meeting.</p> |

**ANNUAL REPORT TO THE BOARD OF TRUSTEES AND FORWARDED
TO THE MINISTRY OF EDUCATION
FOR THE YEAR ENDED AUGUST 31, 2022**

DISTRICT SCHOOL BOARD NAME:

SCHOOL YEAR:

RE: Annual audit committee report to the Ministry of Education as per Ontario Regulation 361/10

INSTRUCTIONS

There are two sections to this template. Please fill out either #1 (a) or 1 (b) as applicable, and #2 below.

1.(a) The regional internal audit team did not undertake any internal audits or other engagements during the 2021-22 school year. However, the team undertook the following activities:

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OR

1.(b) During the 2021-22 school year, the following internal audits or other engagements were expected to be performed as indicated in the annual or multi-year plan with the audit/engagement status as per August 31, 2022:

| AUDIT DESCRIPTION | STATUS | PROCESSES AUDITED | PROCESSES AUDITED | PROCESSES AUDITED |
|---|----------------|--|--|------------------------------------|
| Critical Positions Engagement | Report drafted | Current state assessment of all central positions. | | |
| Follow-up of Audit Recommendations | Complete | Recommendations from 2 previous audits. | April 2016 - Data Management and Back-up | March 2019 - Enrolment Forecasting |
| School Generated Funds Fraud Flags Identification | Not started | Fraud indicators and red flags identification. | | |
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AND

2. Based on the internal audit plan, we are expecting enrolment audits to be performed in the 2022-23 school year:

If 'YES', please indicate the schools planned for enrolment audit (if known):

SCHOOL NAME

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| | Audit Committee Chair | 11/7/2022 |
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Signature Title Date

**Audit Committee
OPEN SESSION**

November 7, 2022 – 6:00 pm

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| Item A9 | ADJOURNMENT |
| Recommendation | THAT the Upper Canada District School Board Audit Committee adjourn ~ November 7, 2022 |