

**Audit Committee**  
**AGENDA**  
**February 14, 2023 – 6:00 pm**  
Meeting Location: Via Microsoft Teams

- School Board Members:** David McDonald, Patricia Francis, Curtis Jordan, John McAllister
- External Members:** Craig Fowler, Michael Kavcic
- Administration:** Ron Ferguson-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), Eric Hardie-Executive Superintendent of Schools, Deanna Perry-Superintendent of Schools, Marsha McNair-Superintendent of Schools, Chad Brownlee-Superintendent of Schools & Human Resources
- Regrets:** Jeremy Hobbs-Executive Superintendent of Business Services

AGENDA ITEM		NOTES
A1	<b>Call to Order</b>	
A2	<b>Approval of Agenda</b> February 14, 2023 – Meeting No. 57	
	<b>Election of Chair</b> ( <i>postponed from September 2022 due to Municipal/Trustee Election October 24, 2022</i> )	OPEN SESSION Information, By-Law and Nomination Form
A3	<b>Conflict of Interest Declaration(s)</b>	
A4	<b>Approval of Minutes – OPEN SESSION</b> November 7, 2022 – Meeting No. 56	OPEN SESSION Minutes Attached
A5	<b>Regional Internal Audit Update</b>	OPEN SESSION Report
A6	<b>Move into CLOSED SESSION</b>	
A7	<b>Report from CLOSED SESSION</b>	
A8	❖ Adjournment <b>Next Meeting:</b> Tuesday April 11, 2023	

**David McDonald**  
Chair, Audit Committee

**Ron Ferguson**  
Director of Education

UPCOMING AGENDA & ACTION ITEMS		TIMELINE
1.	<b>2023-24 Meeting Dates</b>	June 2023
2.	<b>2022-23 External Audit Plan – Executive Summary</b>	June 2023
3.	<b>Election of Chair</b>	September 2023
4.	<b>Proposed Ministry Report to Board</b>	November 2023

**Audit Committee**  
**OPEN SESSION**  
**Election of Chair**

February 14, 2023 – 6:00 pm

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**Information**

The Election of Chair will be presided over by Ron Ferguson, Director of Education.

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, February 13, 2023.

The Election of Chair By-Law 4.20 is provided below for reference.

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

**Elections 4.20**

For the purposes of elections, spoiled ballots will not be counted to determine a majority. A spoiled ballot is any ballot in which the scrutineer determines as not clearly indicating the intention of the voter. Upon the completion of an election, the scrutineers shall report total votes cast in the total number of spoiled ballots to the Secretary of the Board.

Members in attendance via electronic means shall be permitted to vote by the means of electronic mail (email). The Secretary of the Board shall designate a Board staff member to send and receive the ballots. Electronic voting will be conducted as follows:

1. The designated Staff member will send out an email which will serve as a ballot a minimum of 30 minutes prior to voting. The email will have as its subject "Ballot for the Position of (insert position)" A member voting electronically must inform the Secretary of the Board prior to the commencement of the voting process if they have not received the ballot. Candidate's names will not be provided in the email.
2. The Board member will have five minutes from the time the paper ballots are distributed to reply to the email sent out by designated staff member.
3. Scrutineers shall wait no more than 15 minutes from the time the paper ballots were distributed for the member's electronic ballot.
4. The first email received will be considered as the members vote.

No other means of electronic voting will be provided for the election of executive officers.

Upon election, the successful candidate shall assume the position.

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 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 elected for said position for the year and shall assume the duties of said position.
3. If, when nominations have been closed, there is more than one candidate, an election by ballot shall be held to determine who shall hold the position 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.

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OPEN SESSION  
Election of Chair**

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6. The successful candidate must receive a clear majority of the votes cast.
7. In the event a candidate 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
  - 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.

**Lottery Process**

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

- i. A number of folded pieces of paper (four times the number of candidates), one of which shall be marked, will be placed in a receptacle
- 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. The successful candidate will be the first one to draw the marked ballot.

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Election of Chair**

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**Nomination Form  
for the  
Position of Chair  
Audit Committee  
2022-2023**

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 November 7, 2022**  
**OPEN SESSION**  
**Meeting No. 56**

**The meeting was held via Microsoft Teams.**

**School Board Members:** David McDonald, Corina Parisien, John McCrea, 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:** Jessica Devlin-Manager of Accounting Services, Pasquale L’Orfano-Regional Internal Auditor (RIAT), Annik Blanchard-External Audit Partner (BDO Canada),

**Regrets:** Genevieve Segu-Regional Internal Audit Manager (RIAT), Samantha Gillespie-External Audit Manager (BDO Canada)

A1	Meeting was called to order by D. McDonald at 6:00 p.m.
A2	<b><u>Approval of Agenda</u></b> <b>Moved by J. McCrea, seconded by M. Kavcic, that the agenda for the November 7, 2022, Meeting No. 56 be approved.</b> <p style="text-align: right;"><b>Carried.</b></p>
A3	<b><u>Conflict of Interest Declaration(s)</u></b> No conflict of interest declarations were received.
A4	<b><u>Approval of Minutes – OPEN SESSION</u></b> <b>Moved by C. Parisien, seconded by C. Fowler, that the minutes for the September 13, 2022 Meeting No. 55 be approved.</b> <p style="text-align: right;"><b>Carried.</b></p>
A5	<b><u>Regional Internal Audit Team (RIAT) Update</u></b> P. L’Orfano provided the committee with an update on the 2022-23 internal audit plan: <ul style="list-style-type: none"> <li>• Critical Positions Engagement: field work is complete, and the draft report is complete and has been sent to management for review and feedback. The final report will be presented in February 2023.</li> <li>• Workforce Planning Engagement: this engagement is scheduled to begin in the Spring of 2023.</li> <li>• School Generated Funds Fraud Flags Identification Engagement: this engagement is scheduled to begin late January but depending on labour negotiations &amp; workload it may be able to start earlier.</li> <li>• Follow-up Procedures: Follow-up on outstanding recommendations will take place throughout the year and an update will be provided in June 2023.</li> </ul>
A6	<b><u>Move into CLOSED Session</u></b> <b>Moved by C. Fowler, seconded by M. Kavcic, that the Upper Canada District School Board Audit Committee move into Closed Session ~ November 7, 2022.</b> <p style="text-align: right;"><b>Carried.</b></p>
A7	<b><u>Rise and Report</u></b> The Upper Canada District School Board received reports and discussed the following: <ul style="list-style-type: none"> <li>• 2021-22 Draft Audited Financial Statements</li> <li>• 2021-22 Evaluation of External Auditor Performance</li> <li>• 2021-22 Proposed Annual Detailed Report to the Board of Trustees</li> </ul>

**Audit Committee  
Minutes of November 7, 2022  
OPEN SESSION  
Meeting No. 56**

A8	<p><b><u>Proposed Ministry Report to the Board of Trustees</u></b></p> <ul style="list-style-type: none"> <li>The Committee reviewed and finalized the report.</li> </ul> <p><b>Moved by J. McCrea, seconded by M. Kavcic, 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.</b></p> <p align="right"><b>Carried.</b></p>
A9	<p>❖ <b>Adjournment</b></p> <p>❖ Next Meeting – Tuesday, February 14, 2023</p> <p><b>Moved by C. Parisien, seconded by M. Kavcic, that the Upper Canada District School Board Audit Committee adjourn at 7:24pm.</b></p> <p align="right"><b>Carried.</b></p> <p>D. McDonald thanked J. McCrea for his service on this committee.</p>

**David McDonald  
Chair, Audit Committee**

**Ron Ferguson  
Director of Education**

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**Audit Committee  
OPEN SESSION  
Report**

February 14, 2023 – 6:00 pm

<b>Item A5</b>	<b>Regional Internal Audit Update</b>											
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• This is in alignment with Ontario Regulation 361/10: Audit Committees (9) Duties of an Audit Committee 3(2 &amp; 3).</li> </ul>											
<b>Content</b>	<p><b>2022-2023 Regional Internal Audit Plan Update</b></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="407 894 1479 1890"> <thead> <tr> <th data-bbox="407 894 574 940"><b>Status</b></th> <th data-bbox="574 894 1110 940"><b>Audit &amp; Scope</b></th> <th data-bbox="1110 894 1479 940"><b>Schedule</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="407 940 574 1425"><b>Complete</b></td> <td data-bbox="574 940 1110 1425"> <p><b>Critical Positions</b></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 1479 1425"><b>Reported</b></td> </tr> <tr> <td data-bbox="407 1425 574 1890"><b>Not Initiated</b></td> <td data-bbox="574 1425 1110 1890"> <p><b>Workforce Planning</b></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 &amp; 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 1425 1479 1890"><b>TBD</b></td> </tr> </tbody> </table>			<b>Status</b>	<b>Audit &amp; Scope</b>	<b>Schedule</b>	<b>Complete</b>	<p><b>Critical Positions</b></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>	<b>Reported</b>	<b>Not Initiated</b>	<p><b>Workforce Planning</b></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 &amp; 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>	<b>TBD</b>
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**Audit Committee  
OPEN SESSION  
Report**

February 14, 2023 – 6:00 pm

	<b>Planning</b>	<b>School Generated Funds Fraud Flags Identification</b>  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.	<b>December 2022 – January 2023:</b> Developed Audit Program  Next steps: planning meeting with management.
	<b>Cyclical</b>	<b>Follow-up Procedures</b>  This is a recurring item on RIAT’s annual plan.  The last update was June 2022. Two recommendations were outstanding with a new completion date in 2022-23.	<b>February 2023:</b> RIAT starts follow-up procedures.
	<b>As Needed</b>	<b>Management Request Engagement</b>  To cover any important items that may be required to during the school year.	<b>None requested to date.</b>
<b>Recommendation</b>	<b>THAT the Upper Canada District School Board Audit Committee receives for information the February 14, 2023, Regional Internal Audit Team update.</b>		



**Audit Committee  
OPEN SESSION**

February 14, 2023 – 6:00 pm

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<b>Item A6</b>	<b>Move into CLOSED SESSION</b>
<b>Recommendation</b>	<b>THAT the Upper Canada District School Board Audit Committee moves into CLOSED SESSION ~ February 14, 2023</b>

**Audit Committee  
OPEN SESSION**

February 14, 2023 – 6:00 pm

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<b>Item A7</b>	<b>REPORT FROM CLOSED SESSION</b>
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**Audit Committee  
OPEN SESSION**

February 14, 2023 – 6:00 pm

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<b>Item A8</b>	<b>ADJOURNMENT</b>
<b>Recommendation</b>	<b>THAT the Upper Canada District School Board Audit Committee adjourn ~ February 14, 2023</b>