

**Audit Committee**  
**AGENDA**

**September 12, 2023 – 6:00 pm**

Meeting Location: Via Microsoft Teams

- School Board Members:** David McDonald, Patricia Francis, John McAllister
- External Members:** Michael Kavcic, Lisa Taylor
- 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), Chad Brownlee-Superintendent of Schools & Human Resources, Dennis Koluk-Health & Safety Specialist
- Regrets:**

AGENDA ITEM		NOTES
A1	<b>Call to Order</b>	
A2	<b>Approval of Agenda</b> September 12, 2023 – Meeting No. 60	
	<b>Election of Chair</b>	OPEN SESSION Information, By-Law and Nomination Form
A3	<b>Conflict of Interest Declaration(s)</b>	
A4	<b>Approval of Minutes – OPEN SESSION</b> June 13, 2023 – Meeting No. 59	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> November 6, 2023	

**David McDonald**  
**Chair, Audit Committee**

**Ron Ferguson**  
**Director of Education**

UPCOMING AGENDA & ACTION ITEMS		TIMELINE
1.	<b>Proposed Ministry Report to Board</b>	November 2023
2.	<b>2024-25 Meeting Dates</b>	June 2024
3.	<b>2023-24 External Audit Plan – Executive Summary</b>	June 2024
4.	<b>Election of Chair</b>	September 2024

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

September 12, 2023 – 6:00 pm

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**Information**

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

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.

**Audit Committee  
OPEN SESSION  
Election of Chair**

September 12, 2023 – 6:00 pm

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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 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.

**Audit Committee  
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Election of Chair**

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**Nomination Form  
for the  
Position of Chair  
Audit Committee  
2023-2024**

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 13, 2023  
OPEN SESSION  
Meeting No. 59**

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

**School Board Members:** David McDonald, Patricia Francis, John McAllister

**External Members:** Michael Kavcic, Lisa Taylor

**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, Bill Loshaw-Superintendent of Schools, Marsha McNair-Superintendent of Schools, Chad Brownlee-Superintendent of Schools & Human Resources, Annik Blanchard-External Audit Partner (BDO Canada), Lori Taylor-Human Rights and Equity Advisor, Michel LaBonté-Trustee

**Regrets:**

A1	Meeting was called to order by D. McDonald at 6:05 p.m.
A2	<b><u>Approval of Agenda</u></b> <b>Moved by L. Taylor, seconded by J. McAllister, that the agenda for the June 13, 2023, Meeting No. 59 be approved.</b> <b>Carried.</b>
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 J. McAllister, seconded by M. Kavcic, that the minutes for the April 11, 2023, Meeting No. 58 be approved.</b> <b>Carried.</b>
A5	<b><u>2023-24 Meeting Dates</u></b> <ul style="list-style-type: none"> <li>• The Committee set the following meeting dates for 2023-24: <ul style="list-style-type: none"> <li>• Tuesday, September 12, 2023</li> <li>• Monday, November 6, 2023</li> <li>• Tuesday, February 13, 2024</li> <li>• Tuesday, April 9, 2024</li> <li>• Tuesday, June 11, 2024</li> </ul> </li> </ul> <b>Moved by P. Francis, seconded by L. Taylor, that the Upper Canada District School Board Audit Committee set the meeting dates for 2023-24 as outlined.</b> <b>Carried.</b>
A6	<b><u>2022-23 External Audit Plan – Executive Summary</u></b> <ul style="list-style-type: none"> <li>• D. McDonald introduced Annik Blanchard, Partner with BDO Canada, to present the committee with the Audit Plan – Executive Summary.</li> <li>• A. Blanchard presented the 2022-23 External Audit Plan – Executive Summary: <ul style="list-style-type: none"> <li>○ The significant audit risks that BDO Canada will be focusing on for 2022-23 are: <ul style="list-style-type: none"> <li>▪ Management Override and Controls</li> <li>▪ Grant Revenue and Grant Receivable</li> <li>▪ Asset Retirement Obligations (new for 2022-23)</li> <li>▪ Impact of Bill 124 (new for 2022-23)</li> </ul> </li> <li>○ For the audit of the Board’s Financial Statements, materiality is set at 2.25% of prior year revenue, or \$8,900,000, for the year ending August 31, 2023. This amount may change when final 2022-23 figures are confirmed, and any changes will be communicated in November.</li> <li>○ Draft statements will be available in time for the committee’s November 6, 2023, meeting.</li> </ul> </li> </ul>

**Audit Committee  
Minutes of June 13, 2023  
OPEN SESSION  
Meeting No. 59**

	<p><b>Moved by J. McAllister, seconded by M. Kavcic, that the Upper Canada District School Board Audit Committee adopts the 2022-23 External Audit Plan – Executive Summary as presented. Carried.</b></p>
A7	<p><b><u>Regional Internal Audit Team (RIAT) Update</u></b></p> <p>G. Segu provided the committee with an update on the 2022-23 internal audit plan as provided in the agenda package.</p> <ul style="list-style-type: none"> <li>• This is the last update on the 2022-23 internal audit plan.</li> <li>• The committee will be presented with the 2023-24 plan for approval at the September 2023 meeting.</li> <li>• Engagements not completed in 2022-23 will be carried into 2023-24 unless management deems the risk addressed by the engagement to no longer be relevant.</li> <li>• Work on the Workforce Planning engagement will commence tomorrow.</li> <li>• The final report for the School Generated Funds (SGF) Fraud Flags engagement will be presented in the fall of 2023.</li> </ul> <p><b>Moved by P. Francis, seconded J. McAllister, that the Upper Canada District School Board Audit Committee receives for information the June 13, 2023, Regional Internal Audit Team update. Carried.</b></p>
A8	<p><b><u>Move into CLOSED Session</u></b> <b>Moved by J. McAllister, seconded by L. Taylor, that the Upper Canada District School Board Audit Committee move into Closed Session ~ June 13, 2023. Carried.</b></p>
A9	<p><b><u>Rise and Report</u></b></p> <p>The Upper Canada District School Board received reports and discussed the following:</p> <ul style="list-style-type: none"> <li>• 2022-23 External Audit Plan</li> <li>• Policy Related Matters – Monitoring Compliance Status Reports</li> <li>• Regional Internal Audit Report</li> </ul>
A10	<p>❖ <b>Adjournment</b> ❖ Next Meeting – Tuesday, September 12, 2023</p> <p><b>Moved by M. Kavcic, seconded by L. Taylor, that the Upper Canada District School Board Audit Committee adjourn at 7:27pm. Carried.</b></p>

**David McDonald  
Chair, Audit Committee**

**Ron Ferguson  
Director of Education**

**Audit Committee  
OPEN SESSION  
Report**

September 12, 2023 – 6:00 pm

<b>Item A5</b>	<b>Regional Internal Audit Report</b>
<b>Purpose</b>	<p>To provide the Audit Committee with a report from the Regional Internal Audit Manager, Geneviève Segu, on the 2022-23 Regional Internal Audit activities.</p> <p>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).</p>
<b>Content</b>	<p>At the meeting, G. Segu will take the committee through the RIAT’s annual report on the 2022-23 internal audit activities.</p>
<b>Appendices</b>	<p>A5 - 2023-24 Annual Report on Internal Audit Activities (in 2022-23)</p>
<b>Recommendation</b>	<p><b>THAT the Upper Canada District School Board Audit Committee receives for information the 2023-24 Annual Report on Internal Audit Activities.</b></p>



<b>Subject:</b>	2023-24 Annual Report on Internal Audit Activities
<b>Presented by:</b>	Geneviève Segu, Regional Internal Audit Manager Pasquale L'orfano, Internal Auditor
<b>Meeting Date:</b>	September 12 <sup>th</sup> , 2023

### Introduction

The Ontario East Regional Internal Audit Team (RIAT)'s work is regulated and guided by the following three main documents:

- Ontario Regulation 361/10: Audit Committees<sup>1</sup> (The Regulation);
- The Regional Internal Audit Charter (The Charter); and
- The International Professional Practices Framework (The Framework) from the Institute of Internal Auditors (IIA).

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 Charter and the Framework, such as:

- 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 2022-23 activities.

### Charter & Purpose

Audit Committee members reviewed and approved the Ontario East Regional Internal Audit Team (RIAT)'s charter at the September 2021 meeting.

The charter 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 charter, posted on their Host Board’s website.

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





There are no changes to the charter this year. The Internal Audit Charter is appended to this memorandum for your review (see Appendix 1).

### **Independence**

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:

- Functionally to each of the nine Audit Committees of the Ontario East region<sup>2</sup>; and
- Administratively to the Senior Business Official of the host board, Ottawa Catholic School Board.

As required under the Charter, 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.

### **Organizational Structure, Staffing and Professional Development**

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.

Each Auditor is responsible for audits at three of the nine school boards, as follows:

- Gord Champagne: Hastings and Prince Edward DSB, Ottawa-Carleton DSB, Renfrew County DSB;
- Pasquale L'orfano: Limestone DSB, Ottawa Catholic SB, Upper Canada DSB; and
- Portia Marcaida: Algonquin Lakeshore Catholic DSB, Catholic DSB of Eastern Ontario, Renfrew County Catholic DSB.

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:

- Chartered Professional Accountant (CMA and CGA);
- Certified Internal Auditor (CIA);
- Certified Information System Auditor (CISA); and

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



- Certification in Risk Management Assurance (CRMA).

The RIAM is also working towards acquiring the Supervisory Officer's Qualification Program, a certification required for all school boards' executives.

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 5 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 2022-23 school year:

- Ethics;
- Risk management;
- Cybersecurity;
- Violence Threat Risk Assessment;
- Diversity and Inclusion.

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 2022-23, RIAT engaged the following firms to continue work undertaken in the previous year across the portfolio:

- MNP with the Covid 19 Lessons learned at one Board as well as the 22-23 Enrolment Project for the Ottawa Boards; and
- Robert Half with the Legislative Compliance project across four school boards.

### **Quality Assurance**

The charter requires that RIAT performs its function and operations in accordance with the Framework. 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:

- *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 software<sup>3</sup> with audit program templates based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework<sup>4</sup>. A number of

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<sup>3</sup> Pentana

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



documents (such as the charter and the final reports) developed by the collective of RIAMs in Ontario, are based on the Framework's standards of practice.

- *Externally*, the RIAM engaged the Institute of Internal Auditors<sup>5</sup> to evaluate and review the RIAT's Quality Self Assessment in the spring of 2021. The conclusion was that "It is the overall opinion of the IIA that RIAT generally conforms with the Standards and the Code of Ethics". For the administrative and governance areas where the IIA found the RIAT in partial or noncompliance, they issued recommendations which have now mostly been implemented<sup>6</sup>. The outstanding item is outside of RIAT's control, where the chairs of the Audit Committee at three of the nine school boards in the portfolio have not requested that a regular, private, in-camera session be included in the agenda.

### **2022-23 RIAT Annual Plan Activities**

As per the Ministry of Education's 2016: B10 memo<sup>7</sup>, 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).

The RIAM prepares an annual or multiyear plan each year based on the risk assessments and input from Audit Committee Members and Management. The RIAM then provides the plan to the audit committee, for their approval and to make recommendations to the board of trustees.

#### 2022-23 Region-Wide Plan

Of 47 planned engagements:

- 26<sup>8</sup> (55%) were presented to Audit Committee;
- 6 (13%) were not initiated; and
- 15 (32%) were in the reporting, planning or fieldwork phase.

By August 31<sup>st</sup>, 2023, 34 (72%) projects were either presented to AC or in the report process, to be presented to AC at the beginning of the 2023-24 year.

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<sup>5</sup> See the following link for the North America Chapter of the IIA: <https://na.theiia.org/Pages/IIAHome.aspx>

<sup>6</sup> See 2022-23 Annual Report on Internal Audit Activities presented to AC in September 2022.

<sup>7</sup> The complete list of B and SB memos can be found at this link: <https://efis.fma.csc.gov.on.ca/faab/Memos.htm>

<sup>8</sup> Includes follow-up reports



The following table presents a summary of the status of all RIAT engagements in the Ontario East Region:

	Completed <sup>9</sup>		Work In Progress <sup>10</sup>		Postponed		TOTAL	
	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22
Assurance and Consulting	17	15	15	10	6	5	38	30
Follow-up	9	3	-	6	-	-	9	9
<b>TOTAL</b>	<b>26</b>	<b>18</b>	<b>15</b>	<b>16</b>	<b>6</b>	<b>5</b>	<b>47</b>	<b>39</b>

RIAT staff participated in 32 Audit Committee meetings, including five for this school board. The RIAM also coordinated the Audit Committee training for new trustees and audit committee members for all the school boards in Ontario, with the support of the other RIAMs.

On the back end, the Ontario East RIAT members led the monthly RIAM meetings, participated in provincial meetings relating to Internal Audit, Cybersecurity and Legislative Compliance.

2022-23 School Board Plan

At the September 2022 Audit Committee meeting, Audit Committee members approved the following audit plan for the School Board:

Year	Audit	Status
2022-23	Critical Positions	Completed
2022-23	SGF Fraud Flags Identification	Report

<sup>9</sup> Presented to AC during the 2022-23 School Year

<sup>10</sup> Includes engagements in the planning, fieldwork or report phase



## **Regional Internal Audit Charter**

### **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 (RIAM) 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.

The functional reporting relationship between the RIAM and each Audit Committee of the Board of Trustees will be further demonstrated by each Audit Committee of the Board of Trustees for their Board performing the following functions:

- Approve the regional internal audit charter;
- 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 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.

When the RIAM concludes that management has accepted a level of risk that may be unacceptable to the organization, the RIAM will discuss the matter with senior management. If the RIAM determines that the matter has not been resolved, they will communicate the matter to Audit Committee of the Board of Trustees.

## 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.

*Genevieve Segu*      September 1st, 2021

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Regional Internal Audit Manager Signature & Date

*[Signature]*      Sept 15 2021

\_\_\_\_\_  
Audit Committee Chair Signature & Date

*[Signature]*      September 15, 2021

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Director of Education Signature & Date





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/ <b>Review</b>	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. <b>These activities can also be described as “review”, interchangeably with “consulting”.</b>
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 <b>Charter</b> , 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"> <li><input type="checkbox"/> Integrity and ethical values.</li> <li><input type="checkbox"/> Management’s philosophy and operating style.</li> <li><input type="checkbox"/> Organizational structure.</li> <li><input type="checkbox"/> Assignment of authority and responsibility.</li> <li><input type="checkbox"/> Human resource policies and practices.</li> <li><input type="checkbox"/> Competence of personnel.</li> </ul>
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. 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.



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 Regional Internal Audit Manager 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 12, 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 ~ September 12, 2023</b>

**Audit Committee  
OPEN SESSION**

September 12, 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**

September 12, 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 ~ September 12, 2023</b>