

**Audit Committee**

**AGENDA**

**June 12, 2018 – 6:30 pm**

Meeting Location: Stormont Room, Board Office Administrative Building  
225 Central Ave. West, Brockville, Ontario K6V 5X1

- School Board Members:** Jeremy Armer, John McAllister, David McDonald
- External Members:** Sheldon Black, Nigel White
- Administration:** Stephen Sliwa-Director of Education, Robert Backstrom-Superintendent of Business, Carole McKewen-Comptroller of Finance, Diana Kingston-Manager of Accounting Services, Lianne Webster-Recording Secretary
- Guests:** Andrew Newman-Lead Audit Engagement Partner KPMG, Vincent Trottier-Audit Manager KPMG, Line Robitaille-Regional Internal Audit Manager, Gord Champagne-Regional Internal Auditor, Valerie Allen-Superintendent of Schools, Jodie Barrett-Superintendent of Schools, Ron Ferguson-Superintendent of Schools, Jeremy Hobbs-Superintendent of HR and Operational Services, Wendy Lampkie-Manager of HR Specialist Services, Michael Law-Manager of Budget & Forecasting
- Regrets:** None

AGENDA ITEM		NOTES
A1	<b>Call to Order</b>	
A2	<b>Approval of Agenda</b> June 12, 2018 – Meeting No. 34	
A3	<b>Conflict of Interest Declaration(s)</b>	
A4	<b>Approval of Minutes – OPEN SESSION</b> April 10, 2018 – Meeting No. 33	OPEN SESSION Minutes Attached
A5	<b>2018-19 Meeting Dates</b>	OPEN SESSION Report
A6	<b>Move into CLOSED SESSION</b>	
A7	<b>Report from CLOSED SESSION</b>	
A8	<b>2017-18 External Audit Plan – Executive Summary</b>	OPEN SESSION Report
A9	❖ Adjournment <b>Next Meeting:</b> September 2018	

**David McDonald**  
Chair, Audit Committee

**Robert Backstrom**  
Superintendent of Business/Treasurer

UPCOMING AGENDA & ACTION ITEMS		TIMELINE
1.	<b>Election of Chair</b>	September 2018
2.	<b>Proposed Ministry Report to Board</b>	November 2018
3.	<b>2019-20 Meeting Dates</b>	June 2019
4.	<b>2018-19 External Audit Plan – Executive Summary</b>	June 2019

**Audit Committee**  
**Minutes of April 10, 2018**  
**OPEN SESSION**  
**Meeting No. 33**

The meeting was held at the Upper Canada District School Board Office, 225 Central Avenue West, Brockville, Ontario.

**School Board Members:** Jeremy Armer (via teleconference), John McAllister, David McDonald

**External Members:** Sheldon Black, Nigel White

**Administration:** Stephen Sliwa-Director of Education, Robert Backstrom-Superintendent of Business, Carole McKewen-Comptroller of Finance, Lianne Webster-Recording Secretary

**Guests:** Line Robitaille-Regional Internal Audit Manager, Jeremy Hobbs-Superintendent of HR and Operational Services, Jim Guerin-Manager of Information Technology Services

**Regrets:** None

A1	The meeting was called to order by David McDonald, Chair, at 6:37 p.m.
A2	<b><u>Approval of Agenda</u></b> <b>Moved by N.White, seconded by J.McAllistser, that the agenda for the April 10, 2018, Meeting No. 33 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 S.Black, seconded by J.Armer, that the minutes for February 13, 2018 Meeting No. 32 be approved.</b> <p style="text-align: right;"><b>Carried.</b></p>
A5	<b><u>Move into CLOSED Session</u></b> <b>Moved by N.White, seconded by S.Black, that the Upper Canada District School Board Audit Committee move into Closed Session ~ April 10, 2018.</b> <p style="text-align: right;"><b>Carried.</b></p>
A6	<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>• Backups and Data Management Audit – Staff Status Report</li> <li>• Regional Internal Audit Report <ul style="list-style-type: none"> <li>◦ Facilities Operations Management Audit Report Update</li> </ul> </li> <li>• Annual Review of Policies to Assess High Risk</li> </ul>
A7	❖ <b>Adjournment</b> ❖ Next Meeting – June 12, 2018  <b>Moved by N.White, seconded by S.Black, that the Upper Canada District School Board Audit Committee adjourn at 7:44 pm.</b> <p style="text-align: right;"><b>Carried.</b></p>

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

**Stephen Sliwa**  
**Director of Education**

**Audit Committee  
OPEN SESSION  
Report**

June 12, 2018 – 6:30 pm

Item A5	2018-19 Meeting Dates
<b>Purpose</b>	<ul style="list-style-type: none"> <li>To set the 2018-19 meeting dates of the Audit Committee.</li> </ul>
<b>Content</b>	<ul style="list-style-type: none"> <li>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 30<sup>th</sup> as per Ontario Regulation 361/10; excerpt below: <b>Meetings</b>  <ol style="list-style-type: none"> <li>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).</li> <li>(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).</li> </ol> </li> <li>Following the meeting dates from previous years, the 2018-19 suggested meeting dates are as follows: <ul style="list-style-type: none"> <li>o September 11, 2018</li> <li>o November 5, 2018</li> <li>o February 12, 2019</li> <li>o April 9, 2019</li> <li>o June 11, 2019</li> </ul> </li> </ul>
<b>Appendices</b>	
<b>Recommendation</b>	<b>THAT the Upper Canada District School Board Audit Committee set the following meeting dates for 2018-19...</b>

**Audit Committee  
OPEN SESSION**

June 12, 2018 – 6:30 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 ~ June 12, 2018</b>

**Audit Committee  
OPEN SESSION**

June 12, 2018 – 6:30 pm

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

June 12, 2018 – 6:30 pm

<b>Item A8</b>	<b>2017-18 External Audit Plan – Executive Summary</b>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>To share the 2017-18 External Audit Plan – Executive Summary</li> </ul>
<b>Content</b>	<ul style="list-style-type: none"> <li>Annually KPMG, 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 2017-18 Audited Financial Statements in November 2018.</li> <li>Attached, the Committee will find a copy of the Executive Summary of the proposed plan for 2017-18.</li> </ul>
<b>Appendices</b>	A8 - Audit Planning Report – Executive Summary for the Year Ended August 31, 2018
<b>Recommendation</b>	<b>THAT the Upper Canada District School Board Audit Committee adopts the Annual Audit Plan – Executive Summary as presented by Chair of the Audit Committee, David McDonald, on behalf of KPMG.</b>



# Upper Canada District School Board

**Audit Planning Report  
For the year ended August 31, 2018**



Prepared on June 4<sup>th</sup> for the Audit Committee meeting on  
June 12<sup>th</sup>, 2018

[kpmg.ca/audit](http://kpmg.ca/audit)

# Executive summary

## Audit and business risk

Our audit is risk-focused. In planning our audit of the financial statements of the Upper Canada District School Board ('the Board', 'UCDSB') we have taken into account key areas of focus for financial reporting.

*See pages 6-7 and Appendix 1*

## KPMG team

The KPMG team will be led by Andrew Newman and Vincent Trottier. They will be supported by our local office not-for-profit team. Subject matter experts will be involved to ensure our approach is appropriate and robust. *See page 4.*

## Effective communication

We are committed to transparent and thorough reporting of issues to senior management and the Audit Committee.

## Audit Materiality

Materiality has been determined based on prior year total expenses and has been set at \$7.5 million for the year ending August 31, 2018. *See page 8.*

## Independence

We are independent and have extensive quality control and conflict checking processes in place. We provide complete transparency on all services and follow Audit Committee approved protocols.

## Current developments

Please see Appendix 6 for details on upcoming new accounting standards that are applicable for the 2017-18 financial statements. These standards are Canadian Public Sector Accounting Standards PS 2200 Related party disclosures, PS 3420 Inter-entity transactions, PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual rights.

The impact of these new accounting standards are not expected to be significant to the financial statements of the Board, but there may be some changes to note disclosures. We will work with management to determine the impact of these new accounting standards.

## Key UCDSB team members

The UCDSB key management team is discussed with their associated roles and responsibilities relevant to the audit. KPMG will work alongside the UCDSB key team to meet KPMG and management's audit objectives.

*See page 5.*

This Audit Planning Report should not be used for any other purpose or by anyone other than the Audit Committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Planning Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

# Highly talented team

Team member	Background / experience	Discussion of role
<p><b>Andrew Newman, FCPA, FCA</b> Lead Audit Engagement Partner Tel: (613) 212-2877 andrewnewman@kpmg.ca</p>	<ul style="list-style-type: none"> <li>– Andrew has over 25 years of experience serving not-for-profit organizations. Andrew is KPMG Canada's National Leader, Education, and leads Ottawa's Public Sector practice.</li> <li>– Andrew is also Vice-Chair of the Public Sector Accounting Board of Canada.</li> </ul>	<ul style="list-style-type: none"> <li>– Andrew will be responsible for the quality and timeliness of our work and the conclusions reached by the engagement team.</li> <li>– He will provide the overall direction for audit and related services, and will have frequent and direct contact with UCDSB.</li> <li>– Andrew will help ensure the School Board receives the full benefit of our audit and specialist resources on a timely and effective basis.</li> </ul>
<p><b>Vincent Trottier, CPA, CA</b> Audit Manager Tel : (613) 350-1248 vtrottier@kpmg.ca</p>	<ul style="list-style-type: none"> <li>– Vincent has been a member of KPMG's public sector audit group in Ottawa for 5 years. This will be Vince's first year as Audit Manager for the UCDSB audit and has been a member of the audit team for 4 years.</li> <li>– Vincent is also the Data &amp; Analytics Champion in the Ottawa Office.</li> </ul>	<ul style="list-style-type: none"> <li>– Vincent will work closely with Andrew in the development of the audit strategy and management of the overall audit. He will be responsible for the direct supervision and management of the audit, the development of the detailed audit approach and the overall review of the audit.</li> <li>– Vincent will lead our audit of UCDSB and will be your primary contact person.</li> <li>– He will be on site and directly oversee and manage our audit field team and work closely your management team.</li> <li>– Vincent will also lead the data and analytics approach and procedures planned for the audit of UCDSB.</li> </ul>

# Key UCDSB team members

KPMG has identified the following management and other team members who will play a vital role in the UCDSB audit execution. The availability and participation of these individuals in the audit process is key to the successful completion of the audit in the timelines provided. During the post-audit Audit Committee meeting, we will debrief the Audit Committee on the readiness and performance of the UCDSB team during the audit.

Key Team Member	Key Responsibilities in Support of the Audit	Significant Account
<b>Robert Backstrom</b> , CFO and Superintendent of Business	– Robert provides general oversight of the financial close process of UCDSB and will attend debrief meetings with the KPMG Partner and Manager.	– Financial reporting oversight
<b>Carole McKewen</b> , Comptroller of Finance	– Carole provides general oversight of the financial close process of UCDSB and will attend debrief meetings with the KPMG Partner and Manager.	– Financial reporting oversight
<b>Diana Kingston</b> , Manager of Accounting Services	– Diana is our main contact throughout the audit. Diana has overall responsibility for the financial close process and financial statements of UCDSB	– All
<b>Claude Clement</b> , Manager of Payroll Services (retiring September 1, 2018) <b>Michelle Meunier</b> , Manager of Payroll Services (as of September 1, 2018)	– Claude/Michelle are responsible for salaries & benefits. For the audit, they are the main contact for the analytical procedure performed over personnel costs.	– Salaries & benefits
<b>Arlie Onion</b> , Payroll Team Leader	– Arlie is responsible for salaries & benefits. For the audit, she is the main contact for the control procedures performed over personnel cost.	– Salaries & benefits
<b>Wendy Lampkie</b> , Manager of HR and Operations	– Wendy is responsible for human resources. For the audit, she is the main contact for the procedures performed over human resources accruals.	– Human resources
<b>David McDonald</b> , Audit Committee Chair	– David is responsible for providing leadership to the Audit Committee and for collaborating with Management and KPMG on audit matters.	– Financial reporting oversight

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**Audit Committee  
OPEN SESSION**

June 12, 2018 – 6:30 pm

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<b>Item A9</b>	<b>ADJOURNMENT</b>
<b>Recommendation</b>	<b>THAT the Upper Canada District School Board Audit Committee adjourn ~ June 12, 2018</b>