

Audit Committee

AGENDA

June 13, 2017 – 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
- Administration:** Stephen Sliwa-Director of Education, Nancy Barkley-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, Diana Kingston-Manager of Accounting Services
- Regrets:** None

AGENDA ITEM		NOTES
A1	Call to Order	
A2	Approval of Agenda June 13, 2017 – Meeting No. 29	
A3	Conflict of Interest Declaration(s)	
A4	Approval of Minutes – OPEN SESSION April 11, 2017 – Meeting No. 28	OPEN SESSION Minutes Attached
A5	2017-18 Meeting Dates	OPEN SESSION Report
A6	External Member Recruitment	OPEN SESSION Report
A7	Move into CLOSED SESSION	
A8	Report from CLOSED SESSION	
A9	2016-17 External Audit Plan – Executive Summary	OPEN SESSION Report
A10	❖ Adjournment Next Meeting: September 2017	

David McDonald
Chair, Audit Committee

Nancy McCaslin-Barkley
Superintendent of Business/Treasurer

UPCOMING AGENDA & ACTION ITEMS		TIMELINE
1.	Election of Chair	September 2017
2.	2018-19 Meeting Dates	June 2018
3.	2017-18 External Audit Plan – Executive Summary	June 2018

Audit Committee
Minutes of April 11, 2017
OPEN SESSION
Meeting No. 28

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

School Board Members: Jeremy Armer, John McAllister, David McDonald

External Members: Sheldon Black

Administration: Stephen Sliwa-Director of Education (7:29 pm), Nancy Barkley-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 (6:43-6:55 pm), Jim Guerin-Manager of ITS (6:43-6:55 pm), Diana Kingston-Manager of Accounting Services

Regrets: None

A1	The meeting was called to order by David McDonald, Chair, at 6:30 p.m.
A2	<u>Approval of Agenda</u> Moved by J.McAllister, seconded by S.Black, that the agenda for the April 11, 2017 Meeting No. 28 be approved. Carried.
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 J.Armer, seconded by J.McAllister, that the minutes for March 7, 2016, Meeting No. 27 be approved. Carried.
A5	<u>Move into CLOSED Session</u> Moved by S.Black, seconded by J.Armer, that the Upper Canada District School Board Audit Committee move into Closed Session ~ April 11, 2017. Carried.
A6	<u>Rise and Report</u> The Upper Canada District School Board received reports and discussed the following: <ul style="list-style-type: none"> • Backups and Data Management Audit – Staff Status Report • Annual Review of Policies to Assess High Risk • Regional Internal Audit Update
A7	<u>Regional Internal Audit</u> <ul style="list-style-type: none"> • Regional Internal Audit Update <ul style="list-style-type: none"> ▪ Health & Safety Audit – anticipate completion by end of school year ▪ Review of UCDSB School Generated Funds (SGF) and Enrolment Audit Programs to be presented at the June Meeting ▪ Follow Up of Facilities Audit <p>Moved by S.Black, seconded by J.McAllister, that the Upper Canada District School Board Audit Committee adopts the verbal report by the Regional Internal Audit Manager. Carried.</p>

**Audit Committee
Minutes of April 11, 2017
OPEN SESSION
Meeting No. 28**

A8

- ❖ **Adjournment**
- ❖ Next Meeting – June 13, 2017

Moved by J.Armer, seconded by J.McAllister, that the Upper Canada District School Board Audit Committee adjourn at 7:44 pm.

Carried.

**David McDonald
Chair, Audit Committee**

**Stephen Sliwa
Director of Education**

DRAFT

**Audit Committee
OPEN SESSION
Report**

June 13, 2017 – 6:30 pm

Item A5	2017-18 Meeting Dates
Purpose	<ul style="list-style-type: none"> To set the 2017-18 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: Meetings <ol style="list-style-type: none"> 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). (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). Following the meeting dates from previous years, the 2017-18 suggested meeting dates are as follows: <ul style="list-style-type: none"> o September 12, 2017 o November 6, 2017 o February 13, 2018 o April 10, 2018 o June 12, 2018
Appendices	
Recommendation	THAT the Upper Canada District School Board Audit Committee set the following meeting dates...

**Audit Committee
OPEN SESSION**

June 13, 2017 – 6:30 pm

Item A7	Move into CLOSED SESSION
Recommendation	THAT the Upper Canada District School Board Audit Committee moves into CLOSED SESSION ~ June 13, 2017

**Audit Committee
OPEN SESSION**

June 13, 2017 – 6:30 pm

Item A8	REPORT FROM CLOSED SESSION
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**Audit Committee
OPEN SESSION
Report**

June 13, 2017 – 6:30 pm

Item A9	2016-17 External Audit Plan – Executive Summary
Purpose	<ul style="list-style-type: none"> To share the 2016-17 External Audit Plan – Executive Summary
Content	<ul style="list-style-type: none"> 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 2016-17 Audited Financial Statements in November 2017. Attached, the Committee will find a copy of the Executive Summary of the proposed plan for 2016-17
Appendices	A6 - Audit Planning Report – Executive Summary for the Year Ended August 31, 2017
Recommendation	THAT the Upper Canada District School Board Audit Committee adopts the Annual Audit Plan – Executive Summary as presented by KPMG.



Upper Canada District School Board

**Audit Planning Report
For the year ended August 31, 2017**



Prepared on June 6, 2017 for presentation at the June 13, 2017 Audit Committee meeting.

kpmg.ca/audit



Executive summary

Audit and business risk

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

KPMG team

The KPMG team will be led by Andrew Newman, Partner and Krystyna Gagnon, Senior Manager. 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.

Effective communication

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

Audit Materiality

Materiality has been determined based on prior year total expenses and is set at \$7,500,000.

See pages 5

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.

This Audit Planning Report should not be used for any other purpose or by anyone other than Management and 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.

Current developments

There are no new relevant accounting or auditing changes to be brought to your attention at this time.

Regulatory Environment

There were no specific changes to the regulatory environment of the Board that would have a significant audit impact that have been brought to our attention.

Highly talented team

Team member	Background / experience	Discussion of role
 <p>Andrew Newman, FCPA, FCA Lead Audit Engagement Partner Tel: (613) 212-2877 andrewnewman@kpmg.ca</p>	<ul style="list-style-type: none"> — Andrew has over 20 years of experience serving not-for-profit organizations. Andrew is KPMG Canada’s Leader, Public Sector Audit. Andrew is also Vice-Chair of the Public Sector Accounting Board of Canada. — Andrew was recently appointed a Fellow of the Institute of Chartered Professional Accountants of Ontario. 	<ul style="list-style-type: none"> — Andrew will be responsible for the quality and timeliness of our work and the conclusions reached by the engagement team. — He will provide the overall direction for audit and related services, and will have frequent and direct contact with the Board. — Andrew will help ensure the entity receives the full benefit of our audit and specialist resources on a timely and effective basis.
 <p>Krystyna Gagnon, CPA, CA Audit Senior Manager Tel: (613) 212-3720 krystynagagnon@kpmg.ca</p>	<ul style="list-style-type: none"> — Krystyna is a key member of KPMG’s public sector audit practice group in Ottawa. Krystyna has over nine years’ experience serving not-for-profit organizations, membership associations, and other public sector bodies. This is Krystyna’s 4th year serving the Board. 	<ul style="list-style-type: none"> — Krystyna will lead our audit of the Board and will be your primary contact person. — She will be on site and directly oversee and manage our audit field team and work closely your management team.

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**Audit Committee
OPEN SESSION**

June 13, 2017 – 6:30 pm

Item A10	ADJOURNMENT
Recommendation	THAT the Upper Canada District School Board Audit Committee adjourn ~ June 13, 2017