

AVON MAITLAND DISTRICT SCHOOL BOARD

We Will: Create Positive, Inclusive Learning Environments, and Maximize Outcomes for Students

REPORT OF THE AUDIT COMMITTEE

TO: Regular Board Meeting – Tuesday, November 28, 2017

AGENDA ITEM: 5.2 a)

SUBJECT: Audit Committee Activities for the 2016/2017 Year

1.0 Background

- 1.1 This report summarizes the Audit Committee's actions for the year ending August 31, 2017.

2.0 Committee Membership

- 2.1 For the period September 2016 through December 2016, the Audit Committee consisted of five members listed below:
- Chair of Audit Randy Wagler
 - Two trustee members; Judy Cairncross and Robert Hunking
 - Two external members; Ron Burt and Bob Pike
 - One external alternate member; Alicia McDonald
- During this period Board Chair Colleen Schenk and Board Vice Chair Alyson Kent attended Audit Committee as non-voting trustee representatives.
- 2.2 For the January through August 2017 period, following Trustee elections, the Audit Committee consisted of five members listed below:
- Chair of Audit Randy Wagler (Board Chair)
 - Two trustee members; Judy Cairncross and Robert Hunking
 - Two external members; Ron Burt and Bob Pike
 - One external alternate member; Alicia McDonald
- During this period Board Vice Chair Alyson Kent attended Audit Committee as a non-voting trustee representative.
- 2.3 In addition, attendees at the Committee meetings were:
- Administration Team; Director Ted Doherty (to March 2017), Director Lisa Walsh (effective April 2017), Associate Superintendent of Financial Services and Treasurer Cheri Carter and Finance Manager Sandra Hunt
 - Regional Internal Audit Team; PricewaterhouseCooper (PwC) Partner Christopher O'Conner and Director Suk Bedi
 - External Auditors; KPMG Partners John Leitch and Katie den Bok

3.0 Assessment

- 3.1 Over the course of the year and in accordance with recommended good practice, various administrative tasks were completed. These included:
- Review of Ontario Regulation 361/10 with respect to duties and responsibilities of Audit Committee and requirements of the Internal Auditor
 - Review of Board Policy #10 *Committees of the Board, Section 5.5 Audit Committee*

4.0 Meetings

4.1 Five meetings were held throughout the year.

4.2 The members in attendance at each meeting are as follows.

	Sep 27, 2016	Nov 8, 2016	Mar 21, 2017	Apr 25, 2017	Jun 20, 2017
Trustee Members					
Judy Cairncross	✓	✓	✓	✓	✓
Robert Hunking	✓	✓	✓	✓	✓
Alyson Kent	✓*	✓*	✓*	✓*	✓*
Colleen Schenk	✓*	✓*	N/A	N/A	N/A
Randy Wagler	✓	✓	✓	✓	Absent
External Members					
Ron Burt	✓	✓	✓	✓	✓
Alicia McDonald	✓*	✓*	✓	Absent	✓*
Bob Pike	✓	✓	Absent	✓	✓

*non-voting

5.0 Governance

5.1 The Audit Committee operated throughout the fiscal year ending August 31, 2017. All of the members satisfied the eligibility requirements in accordance with Ontario Regulation 361/10.

6.0 External Auditors

6.1 The relationship with the external auditors has been satisfactory and private meetings have been held during Closed Session of the Audit Committee meetings throughout the year.

6.2 The external auditors presented the scope and extent of their work in their Audit Planning Report to the committee for review, discussion and approval during the meeting held June 20, 2017.

6.3 The external auditors confirmed their independence in the letter dated November 14, 2017.

6.4 The Audit Committee recommended the approval of the annual audited financial statements on November 14, 2017.

7.0 Internal Auditors

7.1 The relationship with the internal auditors, PwC, has been satisfactory and private meetings have been held, as requested, during Closed Session of the Audit Committee meetings throughout the year.

- 7.2 At the June 7, 2016 meeting, the Committee reviewed the five-year risk-based internal audit plan originally shared at the June 7, 2015 meeting and with the absence of an updated risk assessment, confirmed the Internal Audits to be completed for the 2016/2017 year based on the original five-year plan.
- 7.3 The internal auditors performed the following work since the last annual report of the committee:
- PLANNED AUDITS:
- Plan and Provide Support Services (Student Supervision)
Audit Scope: to review the planning and monitoring requirements of student supervision during non-instructional time, in comparison to policies, procedures and union agreements.
- AUDITS UNDERTAKEN:
- Plan and Provide Support Services (Student Supervision), received by Audit Committee September 26, 2017
- 7.4 During Closed Session, the Committee received the reports, including management's action plan. The Committee requested that management provide further information regarding student supervision, to be received at a meeting in the 2017/18 year.
- 7.5 In addition to the internal audit completed in 2016/17, the Internal Audit Team (PwC) facilitated a Risk Assessment process. Committee Members, Senior Staff and other members of the board's management team participated in a series of meetings during the period of February 2017 to June 2017. The final Risk Assessment results were shared with the Committee at the June 20, 2017 meeting. This Risk Assessment formed the basis for the 2017/2018 Internal Audit Plan.

8.0 Summary of the Work Performed

- 8.1 In addition to the items noted above, the following outlines further work performed by the audit committee in the last 12 months:
- reviewed management's progress on the development of a Financial Integrity (Fraud Reporting) Administrative Procedure,
 - reviewed the basis for preparing the school board accounts on a going concern basis,
 - reviewed management's going concern assumption and disclosures in the financial statements;
 - recommended the fees charged by the external auditors in respect of the 2017 audit;
 - undertook a review of the external auditors' performance, client service review and future audit strategy;
 - asked for and received an annual confirmation from the Director of Education that the school board was compliant with all current federal and provincial Acts, Regulations and Statutes;
 - undertook an evaluation of the effectiveness of the internal audit function, including the regional internal audit manager and his/her team; and,
 - performed a self-assessment.

9.0 Confirmation

- 9.1 By the signature noted below, we attest that we have discharged our duties and responsibilities respecting Ontario Regulation 361/10.

- 9.2 The summarized Audit Committee Annual Report to the Board of Trustees, which is required to be submitted to the Ministry of Education, is attached for information as Appendix A.

On behalf of the Audit Committee
Randy Wagler, Audit Committee Chair



**Annual Report to the Board of Trustees and Forwarded To
The Ministry of Education for the year ended August 31, 2017**

Date: November 14, 2017
D.S.B. Name: Avon Maitland District School Board
Fiscal Year: 2016/2017
Regarding: Annual Audit Committee Report to the Ministry of Education as per
Ontario Regulation 361/10

During the 2016/2017 fiscal year, all planned internal audits were completed by August 31st.

During the 2016/2017 fiscal year the following internal audits were completed by August 31st:

- Student Supervision

Based on the multi-year internal audit plan, we are not expecting any enrolment audits will be performed.

November 14, 2017

Date

Signature

Chair of Audit Committee

Title