

York Catholic District School Board

Memo To: Audit Committee Members
cc: Other Trustees

From: John Sabo, Associate Director: Corporate Services & Treasurer of the Board

Date: April 14, 2016

Re: Audit Committee Meeting April 19, 2016

The Audit Committee meeting is scheduled as follows:

Tuesday, April 19, 2016
Trustee Lounge
Catholic Education Centre
2:00 p.m. – 4:00 p.m.
(light refreshments will be served)

The meeting will commence with the Regular session to be followed by an In Camera session; the Regular agenda includes the Election of Chair and Vice-Chair of the Committee along with seven Discussion/Information Items.

The In Camera Session agenda consists of one Presentation Item, one Discussion/Information Item and Supplementary Discussions to be held with the Regional Internal Auditor (excluding Administration and then with Administration (excluding the Regional Internal Auditor.

Should time not permit review/processing all of items on the agenda, these items will be deferred to a future meeting. Should you have any questions, please contact John Sabo or the staff member identified on the agenda.

Please inform Karen Errett (ext. 12301) should you be unable to attend.
Also, please confirm attendance to ensure quorum.



YORK CATHOLIC DISTRICT SCHOOL BOARD

Audit Committee Agenda

(Regular Session)
Tuesday, April 19, 2016
2:00 – 4:00 p.m.

Trustee Lounge, Catholic Education Centre

Page(s)

1. Call to Order	J. Sabo	
2. Roll Call	J. Sabo	
3. Election of Chair	J. Sabo	
4. Election of Vice-Chair	J. Sabo	
5. Review of the Committee Terms of Reference – 2016		1
6. Approval of Agenda		
7. Approval of the Minutes of the Previous Meeting		4
8. Declaration of Conflict of Interest		
9. Business Arising from the Minutes of the Previous Meeting: Nil		
10. Next Meeting Date: Fall, 2016		

Presentation Item(s):

Nil

Action Item(s):

Nil

Discussion/Information Item(s):

11. Toronto Area Regional Internal Audit Coordinating & Steering Committee (TA-RIA-CSC) Update	J. Porter	8
12. Provincial Report Re Open vs. Closed Audit Committee Meetings	J. Porter/F. Bagley	11
13. Trustee Training Module on Internal Audit and the Role of the Audit Committee	J. Sabo	18
14. March 31, 2016 Financial Report	A. Chan/L. Giambattista	19
15. 2015-2016 Year-End Proposed Schedule	A. Chan/L. Giambattista	31
16. Healthy Schools Strategy Provincial Audit	J. Porter	32
17. Term of External Audit Committee Members	J. Sabo	40

Future Items:

•

Adjournment



Audit Committee

Mandate:

The Mandate of the Audit Committee shall be in accordance with the duties and powers of an Audit Committee as outlined in O. Reg. 361/10 as follows:

Duties of an Audit Committee:

9. (1) An audit committee of a board has the following duties related to the board's financial reporting process:
1. To review with the director of education, a senior business official and the external auditor the board's financial statements, with regard to the following:
 - i. Relevant accounting and reporting practices and issues.
 - ii. Complex or unusual financial and commercial transactions of the board.
 - iii. Material judgments and accounting estimates of the board.
 - iv. Any departures from the accounting principles published from time to time by the Canadian Institute of Chartered Accountants that are applicable to the board.
 2. To review with the director of education, a senior business official and the external auditor, before the results of an annual external audit are submitted to the board,
 - i. the results of the annual external audit,
 - ii. any difficulties encountered in the course of the external auditor's work, including any restrictions or limitations on the scope of the external auditor's work or on the external auditor's access to required information,
 - iii. any significant changes the external auditor made to the audit plan in response to issues that were identified during the audit, and
 - iv. any significant disagreements between the external auditor and the director of education or a senior business official and how those disagreements were resolved.
 3. To review the board's annual financial statements and consider whether they are complete, are consistent with any information known to the audit committee members and reflect accounting principles applicable to the board.
 4. To recommend, if the audit committee considers it appropriate to do so, that the board approve the annual audited financial statements.
 5. To review with the director of education, a senior business official and the external auditor all matters that the external auditor is required to communicate to the audit committee under generally accepted auditing standards.
 6. To review with the external auditor material written communications between the external auditor and the director of education or a senior business official.
 7. To ask the external auditor about whether the financial statements of the board's reporting entities, if any, have been consolidated with the board's financial statements.
 8. To ask the external auditor about any other relevant issues.
- (2) An audit committee of a board has the following duties related to the board's internal controls:
1. To review the overall effectiveness of the board's internal controls.
 2. To review the scope of the internal and external auditor's reviews of the board's internal controls, any significant findings and recommendations by the internal and external auditors and the responses of the board's staff to those findings and recommendations.
 3. To discuss with the board's officials the board's significant financial risks and the measures the officials have taken to monitor and manage these risks.

- (3) An audit committee of a board has the following duties related to the board's internal auditor:
1. To review the internal auditor's mandate, activities, staffing and organizational structure with the director of education, a senior business official and the internal auditor.
 2. To make recommendations to the board on the content of annual or multi-year internal audit plans and on all proposed major changes to plans.
 3. To ensure there are no unjustified restrictions or limitations on the scope of the annual internal audit.
 4. To review at least once in each fiscal year the performance of the internal auditor and provide the board with comments regarding his or her performance.
 5. To review the effectiveness of the internal auditor, including the internal auditor's compliance with the document International Standards for the Professional Practice of Internal Auditing, as amended from time to time, published by The Institute of Internal Auditors and available on its website.
 6. To meet on a regular basis with the internal auditor to discuss any matters that the audit committee or internal auditor believes should be discussed.
 7. To review with the director of education, a senior business official and the internal auditor,
 - i. significant findings and recommendations by the internal auditor during the fiscal year and the responses of the board's staff to those findings and recommendations,
 - ii. any difficulties encountered in the course of the internal auditor's work, including any restrictions or limitations on the scope of the internal auditor's work or on the internal auditor's access to required information, and
 - iii. any significant changes the internal auditor made to the audit plan in response to issues that were identified during the audit.
- (4) An audit committee of a board has the following duties related to the board's external auditor:
1. To review at least once in each fiscal year the performance of the external auditor and make recommendations to the board on the appointment, replacement or dismissal of the external auditor and on the fee and fee adjustment for the external auditor.
 2. To review the external auditor's audit plan, including,
 - i. the external auditor's engagement letter,
 - ii. how work will be co-ordinated with the internal auditor to ensure complete coverage, the reduction of redundant efforts and the effective use of auditing resources, and
 - iii. the use of independent public accountants other than the external auditor of the board.
 3. To review and confirm the independence of the external auditor.
 4. To meet on a regular basis with the external auditor to discuss any matters that the audit committee or the external auditor believes should be discussed.
 5. To resolve any disagreements between the director of education, a senior business official and the external auditor about financial reporting.
 6. To recommend to the board a policy designating services that the external auditor may perform for the board and, if the board adopts the policy, to oversee its implementation.
- (5) An audit committee of a board has the following duties related to the board's compliance matters:
1. To review the effectiveness of the board's system for monitoring compliance with legislative requirements and with the board's policies and procedures, and where there have been instances of non-compliance, to review any investigation or action taken by the board's director of education, supervisory officers or other persons employed in management positions to address the non-compliance.
 2. To review any significant findings of regulatory entities, and any observations of the internal or external auditor related to those findings.
 3. To review the board's process for communicating any codes of conduct that apply to board members or staff of the board to those individuals and the board's process for administering those codes of conduct.
 4. To obtain regular updates from the director of education, supervisory officers and legal counsel regarding compliance matters.
 5. To obtain confirmation by the board's director of education and supervisory officers that all statutory requirements have been met.

- (6) An audit committee of a board has the following duties related to the board's risk management:
 1. To ask the board's director of education, a senior business official, the internal auditor and the external auditor about significant risks, to review the board's policies for risk assessment and risk management and to assess the steps the director of education and a senior business official have taken to manage such risks, including the adequacy of insurance for those risks.
 2. To perform other activities related to the oversight of the board's risk management issues or financial matters, as requested by the board.
 3. To initiate and oversee investigations into auditing matters, internal financial controls and allegations of inappropriate or illegal financial dealing.
- (7) An audit committee of a board shall report to the board annually, and at any other time that the board may require, on the committee's performance of its duties.
- (8) An audit committee shall make all reasonable efforts to ensure that a copy of this Regulation is posted on the board's website.

Powers of an Audit Committee:

10. In carrying out its functions and duties, an audit committee of a board has the power to,
- (a) with the prior approval of the board, retain counsel, accountants or other professionals to advise or assist the committee;
 - (b) meet with or require the attendance of board members, the board's staff, internal or external auditor or legal counsel or representatives from a reporting entity of the board at meetings of the committee, and require such persons or entities to provide any information and explanation that may be requested;
 - (c) where the committee determines it is appropriate, meet with the board's external or internal auditor, or with any staff of the board, without the presence of other board staff or board members, other than board members who are members of the committee;
 - (d) require the board's internal or external auditor to provide reports to the committee; and
 - (e) have access to all records of the board that were examined by the internal or external auditor.

Committee Membership:

In accordance with Section 3 (1) 2. of O. Reg. 361/10, Composition of an Audit Committee, the Audit Committee will consist of five members as follows:

- three Trustee Board members *(C. Cotton, M. Mogado, M. Marchese)*
- two persons who are not board members *(P. La Framboise, M. Tedesco)*
- Regional Internal Auditor *(D. Johnston)*

Term of Membership:

In accordance with Section 7 of O. Reg. 361/10, Establishment of an Audit Committee, the Term of Membership Audit Committee will be as follows:

- annual appointment of board members
- three-year term for external members

Meetings:

In accordance with Section 11 of O. Reg. 361/10, Meetings, the Audit Committee will meet at least three times per year, with the first meeting of any fiscal year taking place prior to September 30.

Note: O. Reg. 361/10 provides exception to the frequency of meetings for 2010-2011, whereby only two meetings are required.

Reporting:

The Audit Committee will report to the Board, in accordance with Section 15 of O. Reg. 361/10, "Reporting".

Resource Personnel:

Associate Director: Corporate Services and Treasurer of the Board
 Coordinating Manager of Business Services and Assistant Treasurer
 Coordinating Manager Budget and Audit Services
 Other Staff (as required)

Ex-Officio:

Director of Education

York Catholic District School Board

MINUTES AUDIT COMMITTEE (Regular Session)

A Regular session meeting of the Audit Committee was held at the Catholic Education Centre, 320 Bloomington Road West, Aurora, Ontario, on Monday, November 9, 2015, commencing at 3:20 p.m.

PRESENT:

Committee Members:	C. Cotton, E. Crowe, M. Mogado
Other Trustees:	D. Mazzotta, M. Marchese
External Committee Members:	P. Laframboise
Administration:	J. Sabo, J. Porter, A. Chan, L. Giambattista, C. Logel, B. Kennedy, J. Selvadurai, D. Clapham, F. Bagley, P. Preston [3:30 p.m.]
RIAT Team:	D. Johnston, Regional Internal Audit Manager
Other Guests:	A. Ferrari, A. Frizzell, Grant Thornton LLP
Absent with Notice:	M. Tedesco
Recording:	K. Errett
Presiding:	C. Cotton, Committee Chair

[3:20 p.m. – Recess into Regular Session.]

1. CALL TO ORDER

Trustee Cotton, Chair of the Committee, called the meeting to order at 3:20 p.m.

2. APPROVAL OF THE AGENDA

Motion: Mogado/Mazzotta

THAT the Agenda be approved as presented.

– MOTION CARRIED –

3. APPROVAL OF THE MINUTES

Motion: Mazzotta/Crowe

THAT the Minutes of the September 3, 2015 Audit Committee meeting be approved as presented.

– MOTION CARRIED –

4. DECLARATION OF CONFLICT OF INTEREST

Nil

5. REPORT FROM IN CAMERA SESSION OF THE AUDIT COMMITTEE

Trustee Cotton, Committee Chair, expressed appreciation on behalf of Trustees for the amount of information received from Administration in order to understand and process the Financial Statements.

6. BUSINESS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING

Nil

7. PRESENTATION ITEMS:**a) 2014-15 Year-End Financial Statements Review****i) 2014-15 Year-End Financial Report****ii) Draft Financial Statements****iii) PowerPoint “2014-15 Year-End Financial Report – November 9, 2015 – Audited Financial Statements for the Year Ended August 31, 2015”**

J. Sabo, Associate Director: Corporate Services and Treasurer of the Board began the presentation of the 2014-2015 Year-End Financial Statements by identifying materials for review by the Committee and complimented the staff for the work done to compile the information and acknowledged the effort required to do so. The material for the review of the Financial Statements was similar to previous years and included a 12-page cover report, a 47-page report from Administration with extracts from the Ministry submission, the draft 2014-2015 Financial Statements (for approval and submission at the November 10, 2015 Special Board meeting) and the Auditor’s Report.

A. Chan, Coordinating Manager of Business Services and Assistant Treasurer reviewed the 46-slide PowerPoint entitled “Audited Financial Statements for the Year-Ended August 31, 2015” to highlight important concepts from the Financial Statements. It was highlighted that although there were no areas of concern, consideration is being given to the increasing salaries and wages area (which equate to 90% of the operating budget) resulting from the OECTA/CUPE Agreements; the increase will be reflected as a variance between Revised Estimates and Estimates.

It was highlighted that there is no accumulated deficit and that the Board is within required thresholds to be compliant with Ministry enveloping. A. Chan noted that the 15% threshold for Admin & Governance will be discontinued for the 2015-16 fiscal year; further details on this issue will hopefully be reviewed at the Ministry of Education Funding Consultation meeting on November 12, 2015. P. Laframboise requested that a follow-up be provided at the next meeting explaining the fluctuations in year-over-year spending on Contractual Services in the Admin and Governance area.

A. Chan noted that once again it is very significant that the Board carries no unsupported debt in relation to its capital program.

A. Chan, Senior Manager of Business Services and Assistant Treasurer, echoed the sentiments of J. Sabo and thanked the team for their efforts.

The 2014-15 Audited Consolidated Financial Statements of the Board will be presented at the November 10, 2015 Special Board meeting for final approval.

8. ACTION ITEMS:**a) APPROVAL OF THE 2014-2015 AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

Having received the material and presentation for the 2014-2015 Audited Financial Statements, the Committee was presented with the following recommendation:

Recommendation:**Motion: Crowe/Tedesco**

- 1. THAT the Board approve the 2014-15 Consolidated Financial Statements of the York Catholic District School Board as audited by Grant Thornton LLP, Chartered Accountants.**
- 2. THAT the Board publish a notice in local newspapers that the 2014-2015 Audited Consolidated Financial Statements of the York Catholic School Board, together with the Auditors' Report, will be made available, as part of the Board's regular publications and posted on the Board's website.**

— MOTION CARRIED —

b) APPROVAL OF YCDSB & YRDSB EDC FINANCIAL STATEMENTS

A. Chan, Senior Manager of Business Services and Assistant Treasurer, presented the YCDSB & YRDSB EDC Financial Statements.

Recommendation:**Motion: Crowe/Tedesco**

THAT the Board approve the Education Development Charge Financial Statements of the York Catholic District School Board for the period ended August 31, 2015 as audited by Grant Thornton LLP, Chartered Accountants.

— MOTION CARRIED —

9. DISCUSSION/ INFORMATION ITEM(S):**a) ANNUAL AUDIT COMMITTEE REPORT TO THE MINISTRY OF EDUCATION**

J. Porter, Coordinating Manager of Budget and Audit Services, provided a report to inform the Committee that the Annual Audit Committee report to the Ministry of Education, as required by Regulation 361/10, was submitted to the Ministry on September 23, 2015.

Included with the report was a copy of the submission and the Ministry of Education Memo 2015: SB30 "2014-15 Audit Committee Annual Report to the Ministry".

b) ETHICS AND COMPLIANCE REPORTING (WHISTLEBLOWING INITIATIVE) UPDATE

Further to discussions held at the September 3, 2015 Audit Committee meeting, J. Porter, Coordinating Manager of Budget and Audit Services, provided the most recent draft of the ethics and Compliance Reporting Policy and Procedures for review. Suggested changes to the Policy and Procedures were received. The final version of the Policy is targeted for the next Policy Review Committee scheduled for December 8, 2015.

c) DEVELOPMENT OF ENTERPRISE RISK MANAGEMENT (ERM) PROTOCOL

J. Sabo, Associate Director, Corporate Services and Treasurer of the Board, verbally provided an explanation of the formalized Enterprise Risk Management (ERM) process which every organization ideally should have in place. It was noted that at the February 2015 Ministry of Education Audit Committee Training session, ERM was identified as a

school board sector requirement. COSBO has recently received approval and funding to undertake the development of ERM for the school board sector. J. Sabo, along with D. Johnston are members of the ERM Steering Committee associated with this funding allocation. At this time, an RFP is proposed to be let for the development of an ERM protocol for the education sector. YCDSB is one of three pilot boards for this initiative.

FUTURE ITEM(S): Nil

Adjournment: 4:56 P.M.

On Motion: Crowe/Laframboise and CARRIED

[5:00 p.m. – Reconvened into In Camera Session]



**INTERNAL
AUDIT TEAM**
Toronto and Area Region

York Catholic District School Board

Status Update for Audit Committee

April 19 2016

David Johnston, MAcc, CPA, CA

**Senior Manager
Regional Internal Audit Team
Toronto and Area**

Status Update for Audit Committee - April 2016

1. 2013-2016 Internal Audit Plan Update

The following is the status of audits included in the York Catholic District School Board 2013-2016 Multi-year Regional Internal Audit Plan.

#	Audit	Status
1	HR/Payroll	<p>The objectives of this engagement are to assess payroll processing controls that ensure payments to employees are accurate, valid, authorized, and complete.</p> <p>The scope of the engagement will include the processes related to the addition, change and deletion of employees, management review, approval, monitoring and reporting of payroll transactions and key IT system logical access controls.</p> <p>This engagement is in progress and the report will be presented at the next Audit Committee meeting.</p>
2	2012 Enrollment Audit – Follow up	<p>This engagement is complete and the report will be presented at this Audit Committee meeting.</p>
3	Attendance Support	<p>The high-level objectives and scope for this engagement are to assess the Board's processes to support employees when they are not able to be at work due to illness, disability or other reasons.</p>

Status Update for Audit Committee - April 2016

		<p>This would include the following:</p> <ul style="list-style-type: none"> • Appropriate systems/processes to monitor attendance • Accurate and complete attendance records • Effective application of the attendance support program • Effective monitoring of employees on WSIB and a return to work plan • Regular reporting on the effectiveness of the attendance support processes/program. <p>This engagement is scheduled to start in July 2016 for completion in September 2016.</p>
4	Recruiting, Hiring and Retention	<p>The high-level objectives and scope for this engagement are to assess the board's processes and adherence to key legislative, policy and collective agreement requirements, hiring of top candidates, equitable selection processes and that appropriate approvals for recruitment and hiring are received.</p> <p>In addition, the adequacy of employee orientation and training activities for new hires will be reviewed.</p> <p>This engagement is scheduled to start in September 2016 for completion in November 2016.</p>
5	Develop IT Strategy (Phase 2)	<p>The high-level objectives and scope for this engagement are to follow-up on the status of progress in the implementation of actions</p>

Status Update for Audit Committee - April 2016

		<p>from the IT Strategy (Phase 1) engagement completed in March 2015.</p> <p>This engagement is scheduled to start in October 2016 for completion in December 2016.</p>
6	IT Asset Management	<p>The high-level objectives and scope for this engagement are to assess the key IT asset management processes that ensure the financial, contractual and inventory functions support the life cycle management and decision making for the IT environment.</p> <p>Assets include all elements of software and hardware that are used in the Board.</p> <p>This engagement scope will be developed in coordination with the scope of the Develop IT Strategy (Phase 2) engagement.</p> <p>This engagement is scheduled to start in May 2016 for completion in July 2016.</p>
7	Network and Application IT Access Management	<p>The high-level objectives and scope for this engagement are to assess IT and access management at the school (staff and students) and administrative level including controls for the board's:</p> <ul style="list-style-type: none"> • Security policy • User access management • Password management • Network security • Malicious software prevention and detection • Physical security of IT assets <p>This will include assessing that procedures exist for requesting, establishing, issuing,</p>

Status Update for Audit Committee - April 2016

		<p>suspending, modifying and closing user accounts and related user privileges including an approval procedure requiring the data or system owner to grant the access privileges.</p> <p>In addition, through review of documentation and testing, we will assess whether the board's security incident management process is defined and monitored and an effective incident response process is in place.</p> <p>This engagement is scheduled to start in September 2016 for completion in December 2016.</p>
8	Records Management and Privacy	<p>The high-level objectives and scope for this engagement are to assess the Board's policies, strategies and practices related to:</p> <ul style="list-style-type: none"> • Records management • Creation, storage, and disposal of records • Management of electronic records • Security, confidentiality, and reliability of records. <p>Through review of documentation and testing, the engagement will include validating that official records are retained and/or disposed of in accordance with regulatory compliance requirements and/or prescribed policies and procedures.</p> <p>This engagement is scheduled to start in May 2016 for completion in September 2016.</p>

York Catholic District School Board

Report

Report To: Audit Committee
From: Administration
Date: April 14, 2016
Report: **Provincial Report Open vs. Closed Sessions of Audit Committee Meetings**

Executive Summary

This report is intended to provide information and facilitate discussion with regard to the recent report submitted to COSBO (Council of Senior Business Officials) with respect to open and closed sessions of Audit Committee meetings.

Note: This report is being used as a basis for discussions to be held at a Policy Committee meeting which is anticipated to impact current revisions being made regarding the Board's By-Law 101.

Background Information

In December 2015, a copy of the 23-page Deloitte report entitled “*Open vs. Closed Sessions of Audit Committee Meetings*” was distributed to all Trustees along with external members of the Audit Committee (*Note: extra copies will be made available at the April 19, 2016 Audit Committee meeting*). Attached is a 12-slide PowerPoint presentation that was provided at the recent CEO-CFO School Board Conference.

In summary, the report provides six recommendations to be considered by school boards, relating to the following topics:

1. Trustee Attendance at Audit Committee Meetings
2. In-Camera Meetings
3. Communication – Closed Sessions
4. Decision Making in a Closed Session
5. Access to Minutes
6. Guidance on Closing Audit Committee Meetings

It was anticipated that a Ministry of Education memorandum would be forthcoming related to this report providing specific direction for boards to follow. However, the Ministry of Education has decided to allow boards to implement in accordance with their own governance practices.

Currently, the Board's practice of Trustee attendance, voting, and quorum practices are not in accordance/compliance with recommendations included in the report.

As identified in the notes above, the recommendations included in the provincial report will be reviewed at the upcoming meeting of the Board's Policy Review Committee. Initial draft revisions have been made to the Board's By-Law 101 which are anticipated to include the above-noted recommendations.

Prepared and Submitted by: J. A. Sabo, Associate Director - Corporate Services and Treasurer of the Board

Ontario Association of
School Business Officials
Open vs. closed sessions of
audit committee meetings



Table of contents

Executive summary	1
Role of the audit committee	4
Balancing transparency and risk	5
Open and candid communication	8
Ombudsman of Ontario reports	10
Ontario public sector legislation review	12
Recommendations	16
Appendix A – Duties of the Audit Committee	20

Executive summary

Boards of trustees are elected by municipal residents to govern and oversee the operations of school boards on behalf of various stakeholders, and consequently, are expected to act in the best interest of all stakeholders. School board operations are largely funded through provincial grants giving all taxpayers in the Province of Ontario the right to knowledge of how their tax dollars are being utilized.

An audit committee is a subcommittee of the Board of Trustees which has been established through Provincial regulation, mandated to fulfill specific tasks on behalf of the Board of Trustees. The regulation requires that the committee include non-trustee external members who are selected based on their expertise to assist the Board of Trustees in providing oversight in the fulfillment of tasks defined in Ontario Regulation 361/10.

Ontario Regulation 361/10 delineates the duties of the audit committee of a district school board. Specifically the audit committee has oversight responsibility for:

- The financial reporting process
- Internal controls
- External audit
- Internal audit
- Compliance and risk management

Current legislation, specifically Subsection 207(2) of the Education Act, outlines topics that can be discussed in a closed meeting; otherwise, meetings should be held in an open session to ensure transparency to the public. Subsection 207(2) of the Education Act is applicable to the Board of Trustees and any committees of the Board of Trustees.

In developing this report, we have examined the role of the audit committee, the unique pressure of a public sector audit committee in balancing transparency and risk, the importance of open and candid communication, the Ombudsman's view on closed sessions, and other relevant public sector legislation.

In developing this report and determining our recommendations, it was important to note that while public sector governing bodies must demonstrate transparency, which extends to the audit committee, it shouldn't be at the expense of the effectiveness of the committee.

This report summarizes knowledge obtained from our research and leverages knowledge from our Subject Matter Experts within Deloitte who have experience in broader public sector organizations and developing audit committee best practices. Our research has shown there is a lack of consistency in legislation with respect of the requirement of open and closed sessions as it relates to committees of a board for a public sector organization.

It is important to note that the recommendations in this report are for audit committees of Ontario School Boards and that these recommendations may not be appropriate for other committees or for Board of Trustee meetings. It may be necessary to seek a legal opinion if further guidance beyond this report is required.

Our report and recommendations are based on the existing legislation and regulations in place as of September 1, 2015, which require that audit committee meetings be held in an open setting, with the option to move to a closed, or in camera session under certain circumstances. Our report does not consider or recommend any changes to the existing legislation. Based on the current legislative environment and our understanding of the education sector in Ontario, we make the following recommendations:

Recommendation #1 – Trustee attendance at audit committee meetings: Trustees who are not members of the audit committee should be permitted to attend open and closed audit committee meetings in the capacity of an observer. Observers are typically not allowed to participate in meetings unless they are invited to participate in the meeting by the chair of the committee. However under no circumstances would a non-committee member be allowed to vote on recommendations of the audit committee. The public should have access to the minutes from any open session, while Trustees who are not on the committee should have access to the minutes of any closed and open session.

Recommendation #2 – In-Camera Meetings: Guidance from the Ministry should clarify that audit committees have the ability to go in-camera (discuss topics without the presence of staff, including the Director of Education), which is acceptable under paragraph 10(c) of Regulation 361/10. In-camera meetings should not involve any decision making, and would typically just involve discussion with the appropriate party. Examples of in-camera sessions would be when the committee meets in-camera with the internal or external auditor.

Distinguishing the different types of meetings

Open	Closed	In-camera
<p>Open sessions provide transparency to the stakeholder. Invitation to this portion of the audit committee meetings is not exclusive to anyone; however, participation will remain limited to the audit committee members and individuals invited to participate (i.e. RIAT, external auditor) to ensure topical and effective conversations. In these meetings, the transparency allows the audit committee to be directly accountable to the taxpayers and increases public confidence in the decision making, as they are in attendance and fully aware of the process.</p>	<p>Closed sessions have a more restrictive audience in the sense that invitation is only extended to audit committee members, Board of Trustees, relevant management and designated participants to report on certain matters and answer questions (i.e., internal or external auditor, legal counsel or representatives from a reporting entity). These sessions allow for sensitive topics and related recommendations to be discussed with all the facts and information prior to exposing the issues to the public.</p>	<p>In-camera sessions allow the audit committee to receive feedback from designated participants without the presence of other parties. These sessions allow participants to openly engage in issues with the appropriate parties and encourages more open and robust discussions. It is up to the committee to determine which parties they would like to meet with and whether other parties should be present.</p>

Recommendation #3 – Communicating Closed Sessions: Audit committees should make publicly available a formal agenda for the open meeting that has been created and distributed in advance of the meeting. For closed sessions, the audit committee should state at the meeting the reasons as to why the committee would need to move into a closed session. Reports to the audit committee in an open session should be accessible to the public, while closed session reports should only be made available to the committee members, relevant management personnel, and the Board of Trustees.

Recommendation #4 – Decision making in a closed session: Recommendations made by the audit committee to the Board of Trustees should be made in an open session. Any decision making that occurs in a closed meeting could be perceived by the public as decision making with a lack of transparency and accountability. If it is not possible to make a decision in an open session (due to privacy or other closed session requirements), the audit committee should confirm how they meet the closed meeting requirements of 207(2) of the Education Act. When reporting to the Board of Trustees, the summary provided to the Board of Trustees should be in sufficient detail to understand the decisions and recommendations that came out of the closed meeting.

Recommendation #5 – Access to minutes: During the closed session, minutes should be taken in the same detail as minutes taken at the open session (focusing on decisions that are made by the committee or recommendations to the Board of Trustees). Members of the Board of Trustees should have access to all minutes, whether open or closed, whereas the public should only have access to open meeting minutes. In Camera minutes should be taken in the rare circumstances that those parts of the meeting involve decision making, and in-camera minutes would be restricted to those required to review closed session meeting minutes in accordance with their mandate (i.e. external auditors in accordance with generally accepted auditing standards, and others such as legal counsel).

Recommendation #6 – Circumstances that can lead to the closure of an audit committee meeting: The Education Act outlines the circumstances in which an audit committee can be closed. Regulation 361/10 provides the authority for an audit committee to go in-camera, and also provides the duties of an audit committee. It is not the duties of an audit committee which would force the audit committee to move into a closed session or an in-camera session, but rather the nature of the topics being discussed. Judgement will be required to identify when those topics arise. Our recommendations have identified that certain parties should have access to information in certain situations. The following table summarizes the accessibility of certain information that is provided for the Audit Committee and which other parties should have access to this information.

Information item	Available to public	Available to all trustees	Available to audit committee members
Agenda for open audit committee meetings	Yes	Yes	Yes
Agenda for closed audit committee meetings	No	Yes	Yes
Reports to be discussed in open sessions	Yes	Yes	Yes
Reports to be discussed in closed sessions	No	Yes	Yes
Minutes of open session	Yes	Yes	Yes
Minutes of closed session	No	Yes	Yes
Minutes of in-camera sessions	No	No	Yes

Role of the audit committee

In a world where the financial reporting and regulatory environment is increasingly complex, oversight of organizations and their internal controls is a top of mind issue for stakeholders.

The Board of Trustees is responsible for overall governance of a school board. With such vital responsibilities, the Board of Trustees can be most effective by allocating certain responsibilities to committees that comprise of individuals with the proper skillset to delve into the duties in a thorough manner. When a committee is effective in helping its Board of Trustees discharge its responsibilities, the Board of Trustees is aware of the significant issues that are dealt with by the committee, understand the process on how the committee was involved, and ultimately accepts the committee's position if necessary.

The role of the audit committee of a District School Board is prescribed by Ontario Regulation 361/10. Audit committee membership should include individuals with diverse backgrounds and skills to effectively represent the Board of Trustees and provide appropriate oversight over a variety of issues, including risk management, internal controls and financial reporting. External members of an audit committee should be financially sophisticated through their experience and education.

Ontario Regulation 361/10 prescribes the duties of the audit committee established by school boards as follows:

The audit committee has oversight responsibility for:

- The financial reporting process
- Internal controls
- External audit
- Internal audit
- Compliance and risk management.

Current legislation requires that audit committees assess whether these topics should be discussed in an open or a closed meeting, and also allows for audit committees to go in-camera if required. Audit committees must focus on their duties, while balancing between transparency to the stakeholders and minimizing the risk to the school board resulting from certain subject matter discussions being open to the public.

Given the specific duties of the audit committee as established by regulation, the audit committee must gather candid information on potentially sensitive topics and thoroughly investigate any issues raised or potential weaknesses in management controls. Sensitive topics, such as fraud or internal control deficiencies, will be an area of discussion and assessment amongst the audit committee members. It is the responsibility of the audit committee to scrutinize in-depth the information presented and provide advice and oversight over actions required to resolve and address any issues identified in the meeting.

The audit committee plays an important role in corporate governance in that they enable a governing body to carry out its responsibilities in an efficient and effective manner with a subset of individuals who have relevant areas of expertise. In the public sector, audit committees are accountable to their governing body, and help the governing body demonstrate that there is accountability and oversight of financial reporting and risk management. Audit committees must carry out their duties with a mindset of what is in the best interest to the public.

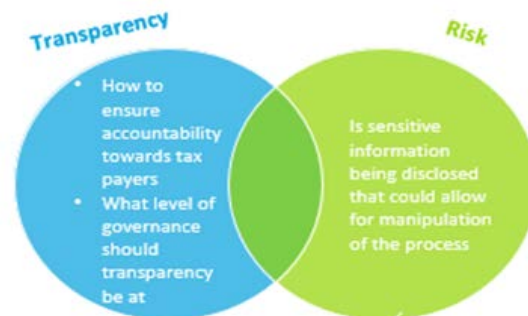
Balancing transparency and risk

It is particularly challenging for audit committees to focus on and appropriately fulfill their duties, while balancing between transparency to stakeholders and the potential risk of exposing sensitive issues. This is a unique pressure to Public Sector governing bodies and can be difficult to manage. This section of the report examines the significance of transparency and how audit committees can manage risks associated with open sessions.

Significance of transparency

A key factor of effective governance in the public sector is transparency; organizations need to be accountable to all stakeholders including taxpayers that effectively fund a significant portion of the operations. Through transparent and accountable measures, the public is able to evaluate how public funds are being used in the operation of school boards. Having information provided on a timely basis is important not only to management decision making, but to those charged with governance and ultimately the public. By providing regular reporting on the status of issues at a particular school board, the Board of Trustees and the public will be able to understand the status of the audit committee's work and how they are meeting their responsibilities.

Transparency is the channel in which the public is able to hold elected trustees accountable for their decisions. In the public sector, the public develops expectations of those in governance positions to perform responsibilities on behalf of the taxpayer, and in turn rely on business being conducted in a transparent manner. The transparency in which a Board of Trustees conducts its business is vital to taxpayers and other stakeholders in understanding the performance of elected trustees.



In the presence of opaque processes, business decisions and tax-dollar spending are more susceptible to unaccountability and hence, may not provide the public with assurance around the efficiency and effectiveness of the school board's operations. Governance and oversight practices should push the frontiers of transparency. It is through transparent measures that a trusting relationship can be built between the taxpayer and those in governance at the school boards.

In considering whether school board audit committee should be opened or closed, we have assessed the duties of the audit committee and the potential risks to a school board from conducting meetings in an open setting that could be attended by the public. We have identified some of the risks that could occur or be heightened when meetings are opened to the public that should be considered by audit committee members and how these risks could impact the effectiveness of the audit committee.

Audit committee effectiveness

Audit committees have a mandate which needs to be fulfilled and they need to be effective in how they meet their mandate in order to provide the most value to the Board of Trustees. While transparency is what the audit committee should strive for, it shouldn't be at the expense of the effectiveness of the committee.

Open audit committee sessions may be susceptible to disruption from special interest groups, the general public, and other parties. While it is important that the public is heard on issues, an audit committee meeting can be derailed if the appropriate mechanisms are not in place to allow for the appropriate conversations to occur so that the committee can achieve its mandate.

The effectiveness of an audit committee meeting depends on other factors, such as the quality of information produced by management, the effectiveness of presentations, and the ability of audit committee members to ask questions. Effectiveness can be impacted depending on whether the discussions are held in an open or closed session. The following operational risks are potentially heightened when audit committee meetings are open to the public and would therefore impact the effectiveness of the audit committee:

Reputational risk

School boards are largely funded through government funding. As a result, the public's perception of the school boards acts as a direct measure of reputational risk.

In cases where control deficiencies or perceived risks are identified, they will be brought to the attention of the audit committee at the meeting with the internal or external auditor. If said meeting is in an open session, the audit committee and the public will learn about the issues together at the same time. The audit committee will not have had the chance to use their expertise to exercise its governance responsibilities over management.

The public and media will have a different definition of materiality and priority sequencing than the audit committee. The audit committee will prioritize resolution of any issues based on their expertise and financial background; whereas, the public/media may have a dissimilar view of priorities and materiality. This difference in views may contribute to questions raised regarding the Board's ability to deliver on its roles and responsibilities effectively and the media attention may hinder the audit committee from effectively carrying out their roles based on their professional judgement.

The provisions in the Education Act allow for closed meetings when there are risks around privacy, commercially sensitive information in a transaction, and risk to the security of the property of the board. Ultimately however, the provisions cannot and will never be able to cover the perception of the public on the reputation of the school board.

Fraud risk

The role of the audit committee is to provide oversight over the work of the internal auditors, external auditors and Regional Internal Audit Team (RIAT), to ensure that management is effective with their controls and their risk management strategy. As part of that process, the audit committee must consider the risk of fraud as well as the current controls and policies in place to monitor and manage significant risks to the business. The ability to have an open and candid discussion with the internal auditor and external auditor around the risk of fraud can be very limiting in a public setting because statements made may be taken out of context, and because an open discussion on these matters would actually highlight the control weaknesses to the public. As such, in order to manage additional risk, and maximize the effectiveness of the committee, a closed session would be preferable when discussing fraud risks, audit findings, and internal control weaknesses.

Legal risk

Legal counsel may be brought into audit committee meetings to report on compliance with legal or regulatory matters, including the status of any litigation and potential outcomes. Non-compliance with legal or regulatory matters could significantly impact the financial situation of the school boards. The public should be aware of anything that could potentially have a financial impact on the school boards; however, this comes at the cost of exposing the school board's legal strategy in any litigations, their assessment of potential outcomes or willingness to settle. By sharing this information with the public, the other side of the litigation has access to this information and hence, weakens the school board's legal case.

This risk is mitigated through current provisions for closed sessions under Section 207(2) of the Education Act, which suggests that legal matters should be discussed in a closed session. When audit committee meetings are held in an open session, this risk is increased or elevated because it is dependent on committee members appropriately identifying which legal matters should be discussed in a closed or open session.

Privacy risk

The discussions within audit committee meetings will be in great detail; in cases where an investigation is launched, personal information may be discussed during the meeting such as names and information of individuals involved. While current legislation does require that privacy be maintained, there is the possibility that the public could infer from the information provided (correctly or incorrectly) information that would be sensitive to an individual.

Subsection 207(2)(b) of the Education Act specifically precludes “disclosure of intimate, personal or financial information in respect of a member of the board or committee, an employee or prospective employee of the board or a pupil or his or her parent or guardian” from being discussed in a meeting open to the public.

By holding meetings in an open session, this risk is heightened as it is dependent on audit committee members identifying that the issue being discussed would violate the Education Act.

Open and candid communication

The effectiveness of an audit committee is contingent upon open and candid communication between all relevant parties. Professional advisors such as external auditors, internal auditors, and legal counsel assist audit committees with reporting on the various functions within the organization.

Relationship with Board of Trustees

As part of the governance process, the audit committee is a statutory committee of the Board of Trustees. The audit committee acts upon its assigned tasks and reports to the Board of Trustees on the status of their duties as per Section 9 (7) of Ontario Regulation 361/10. As many of the duties of the audit committee can only be carried out through a working relationship with, and management of, the professional advisors who execute the work, audit committees must also report on the progress and status of the professional advisors' work to the Board of Trustees. Therefore audit committees are required to be transparent to the Board of Trustees.

Relationship with external parties

To carry out the audit committee's duties, legislation requires certain parties to assist the audit committee in carrying out their responsibilities. These parties can range from internal auditors who advise on management's internal controls and processes in place; external auditors who perform the annual external audit on the financial statements; and legal counsel who provide insight into litigation risks or ongoing litigations.

Presentations from the aforementioned parties may contain sensitive topics such as controls and risks that need to be discussed in a more restrictive audience setting.

An open and effective relationship between professional advisors and the audit committee can be fostered through substantive conversations in which both parties are engaged. An audit committee has a skill set that is directed towards financial literacy and risk and should include members who understand the implications of any issues or findings raised by the respective professional advisors. As financially aware individuals, the audit committee will also raise the appropriate questions and concerns to discuss among the professional advisors. Therefore, in order to have the appropriate communications with external parties, the audit committee needs to determine the correct setting for the discussion (open, closed, or in-camera).

Relationship with stakeholders

The audit committee is accountable to the Board of Trustees, who are ultimately accountable to stakeholders of the school board. Stakeholders have a right to hold the school boards accountable for their actions and this is achieved through transparency in open records and attendance at meetings.

The Municipal Freedom of Information and Protection of Privacy Act ("MFIPPA") dictates the level of access rights to information under the control of institutions, such as records and personal information. Under MFIPPA, school boards have an obligation to disclose records to the public if it is in the public interest to do so and does not violate personal information.

The audit committee has a fiduciary responsibility to represent and protect the property of the school board (Section 207(2) of the Education Act). These responsibilities have to be carried out while managing risk exposure, because allowing sensitive subject matters to surface at inappropriate times may put the security of school board property at risk. Since the audit committee is a subsection of the Board of Trustees it is important for the non-audit committee trustees to have access to the information that the committee is considering so that they can stay informed and monitor developments. This access supports the accountability relationship that is required between the Board of Trustees and the audit committee.

Ombudsman of Ontario reports

The Office of the Ombudsman of Ontario (“Ombudsman”) acts as an independent and impartial Officer of the Provincial Legislature and has a mandate to oversee government services and ensure accountability to the public. The Ombudsman will investigate any complaints received that fall under the Ombudsman’s jurisdiction. Currently, the Ombudsman has jurisdiction over Provincial ministries, crown corporations, tribunals, agencies, boards and commissions; and more recently, commencing on September 1, 2015, jurisdiction now includes Ontario school boards. With this extension to the jurisdiction of the Ombudsman, it is important to understand the views of the Ombudsman with regards to open vs. closed sessions within governance meetings.

Ontario’s Sunshine Law

The Ombudsman’s Sunshine Law was created in the form of amendments to the Municipal Act. The amendments that were made to the Act specifically aim to address accountability and transparency in the public sector, allowing for public observation whether it is governance meetings or records. The premise behind the amendments was to enforce openness in activities where business information is deliberated and decisions are made that could impact tax-funded operations under the jurisdiction of the Ombudsman.

As the Municipal Act governs accountability towards the public, there is an emphasis on closed sessions of Municipalities and their committees and ensuring any topics discussed in closed sessions are pursuant to the respective section of the legislative act that allow meetings to be closed.

The Municipal Act understands that “while transparency [...] should be maximized as far as possible, [...] there may be certain situations in which the privacy of an individual should be respected, or where open meetings would not serve the public interest, or the interests of the municipality”¹. Upon the decision to close sessions of a meeting, specific procedures should be followed such as stating by resolution in open session the general nature of matters to be closed and reason for closure. Additionally, voting is only permitted in a closed session if it is for a “procedural matter or for giving directions or instructions to officers, employees, agents of the [organization], or person under contract”². “All resolutions, decisions and other proceedings that take place must be recorded without comment, whether the meeting is open or closed”³.



¹ “Must all meetings be open to the public?” in The Sunshine Law Handbook, 3rd Edition, January 2015. The Office of the Ombudsman of Ontario

² “Can votes be taken during a closed meeting?” in The Sunshine Law Handbook, 3rd Edition, January 2015. The Office of the Ombudsman of Ontario

³ “Must a record be kept of the closed meeting?” in The Sunshine Law Handbook, 3rd Edition, January 2015. The Office of the Ombudsman of Ontario

In open sessions where the public are invited to attend, the public are only granted with the right to observe and not the right to participate.

Prior investigations

Various municipal meeting investigations

The common trend noted in many of the investigations of the closed municipal meetings was public concern regarding integrity of discussions within closed sessions that guide decisions to be made. The investigations noted that when meetings are closed and discussions are held within this closed environment, this reduces transparency and accountability in decisions as the public are not aware of the process and considerations made in the decision.

Some investigations required the Ombudsman to determine whether informal gatherings by all members of a municipal council or committee actually constituted a meeting of said council or committee. The risk with all members of a municipal council or committee gathering together is that municipal business could be conducted in a manner that is not open and transparent to the public.

Another issue that some municipalities face is when the membership of a committee consists of the same membership of the municipal council. In those circumstances, it would be more difficult to determine or distinguish conduct that is being conducted by the committee vs the council. When membership of an audit committee is the same as the governing body, the rules around opening and closing an audit committee should be the same as it is for council.

LHIN investigation (July 2010)

An investigation was launched on the Local Health Integration Network (“LHIN”) as there was concern regarding the community engagement in its decision-making process that had a direct impact on local residents. The main issue is that the LHIN “fail[ed] to follow an open and transparent process, [which] threatens to erode public confidence in decision-making relating to the local health system”⁴.

Decisions were made in meetings that were held in private. The investigation noted that by making decisions in private, this reduces the transparency and confidence in the decisions made, as the public are not aware of the thought process.

Potential implications to school boards in Ontario

In establishing best practices for audit committee meetings, the principles surrounding the Ombudsman’s investigations should be considered as they highlight the concerns around transparency, regardless of whether the action was intentional or not.

Public confidence over the integrity and accountability of the execution of duties of the audit committee is closely aligned with transparency in the processes of the duties performed. As such, if discussions are moved to a closed session, there should be clear and timely documentation disclosed that explains the reason of moving to closed session. Additionally, a summary of discussions held or decisions made should be disclosed with as much detail as possible after the closed meeting. A transparent governance and decision process will reduce public concern as they are more mindful of the process.

If membership of an audit committee is identical to that of the Board of Trustees, then the assignment of duties has not effectively been passed on to a subset of the Board of Trustees, and therefore less discussion will occur at the board level around items discussed at the audit committee. In situations where this does arise, audit committee meetings should be treated no differently than a meeting of the Board of Trustees.

⁴ “Overview” in The LHIN Spin, July 2010. The Office of the Ombudsman of Ontario

Ontario public sector legislation review

Transparency to the taxpayers is a common theme in organizations within the public sector. As such, it is beneficial to understand how other legislation in Ontario prescribe the conduct of audit committee meetings, specifically in dealing with open vs. closed sessions. The following section takes a look at the closed meeting requirements in the Education Act and how it compares to other legislation in Ontario.

EDUCATION ACT SECTION 207

Open meetings of boards

207. (1) Subject to subsections (2) and (2.1), the meetings of a board and the meetings of a committee of the board, including a committee of the whole board, shall be open to the public, and no person shall be excluded from a meeting that is open to the public except for improper conduct. R.S.O. 1990, c. E.2, s. 207 (1); 2014, c. 13, Sched. 9, s. 19 (1).

Closing of certain committee meetings

(2) A meeting of a committee of a board, including a committee of the whole board, may be closed to the public when the subject-matter under consideration involves,

- (a) the security of the property of the board;
- (b) the disclosure of intimate, personal or financial information in respect of a member of the board or committee, an employee or prospective employee of the board or a pupil or his or her parent or guardian;
- (c) the acquisition or disposal of a school site;
- (d) decisions in respect of negotiations with employees of the board; or
- (e) litigation affecting the board. R.S.O. 1990, c. E.2, s. 207 (2).

Closing of meetings re certain investigations

(2.1) A meeting of a board or of a committee of a board, including a committee of the whole board, shall be closed to the public when the subject-matter under consideration involves an ongoing investigation under the *Ombudsman Act* respecting the board. 2014, c. 13, Sched. 9, s. 19 (2).

Exclusion of persons

(3) The presiding officer may expel or exclude from any meeting any person who has been guilty of improper conduct at the meeting. R.S.O. 1990, c. E.2, s. 207 (3).

Inspections of books and accounts

(4) Any person may, at all reasonable hours, at the head office of the board inspect the minute book, the audited annual financial report and the current accounts of a board, and, upon the written request of any person and upon the payment to the board at the rate of 25 cents for every 100 words or at such lower rate as the board may fix, the secretary shall furnish copies of them or extracts therefrom certified under the secretary's hand. R.S.O. 1990, c. E.2, s. 207 (4).

The Education Act specifies certain instances in which audit committee meetings should be closed, however applying these requirements to the specific duties in legislation can be challenging. The inconsistency between the Education Act and other practices and legislation in Ontario indicates that there is inconsistency across the Province as to when meetings should be closed to the public.

Higher education

The Ministry of Training, Colleges and Universities follows Ontario Regulation 34/03 with regards to corporate governance. The following is an excerpt from the Act that delineates conduct of meetings in open vs. closed session:

ONTARIO REGULATION 34/03 – SECTION 5

Ontario Colleges of Applied Arts and Technology Act, 2002

(5) Subject to subsections (6) and (7), all meetings of a board of governors shall be open to the public and prior notice of the meeting shall be given to the members of the board of governors and to the public in such manner as the board of governors by by-law shall determine, and no person shall be excluded from a meeting except for improper conduct as determined by the board of governors. O. Reg. 34/03, s. 5 (5).

(6) Where a matter determined by a board of governors to be confidential to the college in accordance with criteria established by by-law is to be considered, the part of the meeting concerning such confidential matter may be closed to the public. O. Reg. 34/03, s. 5 (6).

(7) Where a matter of a personal nature concerning an individual may be considered at a meeting, the part of the meeting concerning such individual shall be closed to the public unless such individual requests and the board of governors agrees that that part of the meeting be open to the public. O. Reg. 34/03, s. 5 (7).

Ontario Regulation 34/03 allows for more judgement in determining when a meeting should be closed, allowing for matters that are confidential to the college to be discussed in a closed setting.

Example of an Ontario University

Universities in Ontario do not follow Ontario Regulation 34/03 and have established their own governance practices which follow some of the better practices from the private sector. In the governance practices at University of Toronto, the audit committee Terms of Reference state that “the Committee usually meets in closed session. Where matters before the Committee are of a particularly confidential or sensitive nature, the Committee may move in camera”⁵.

The audit committee acts as a standing committee to the governing council. Meetings of the governing council are open to the public, and transparency to the governance process and the respective standing committees is demonstrated through these meetings. Additionally, agenda and reports for the closed audit committee meetings are made public. By posting the agenda, the public is aware of the discussions held, without exposing sensitive topics such as perceived risks.

This is considered to be a leading practice in governance around audit committees as it allows for the audit committee to conduct its work for the board, and allows for the board and the public to hear about the audit committee’s work in an open session.

⁵ “6.1 Meetings” in Terms of Reference – Audit Committee, November 2013. University of Toronto

Municipalities

The following is an excerpt from the Municipal Act that outlines conduct of meetings in open vs. closed session for municipalities:

MUNICIPAL ACT, 2001

S.O. 2001, CHAPTER 25

Meetings open to public

239. (1) Except as provided in this section, all meetings shall be open to the public. 2001, c. 25, s. 239 (1)

Exceptions

- (2) A meeting or part of a meeting may be closed to the public if the subject matter being considered is,
- (a) the security of the property of the municipality or local board
 - (b) personal matters about an identifiable individual, including municipal or local board employees
 - (c) a proposed or pending acquisition or disposition of land by the municipality or local board
 - (d) labour relations or employee negotiations
 - (e) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board
 - (f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose
 - (g) a matter in respect of which a council, board, committee or other body may hold a closed meeting under another Act. 2001, c. 25, s. 239 (2).

Other criteria

- (3) A meeting shall be closed to the public if the subject matter relates to the consideration of a request under the Municipal Freedom of Information and Protection of Privacy Act if the council, board, commission or other body is the head of an institution for the purposes of that Act. 2001, c. 25, s. 239 (3).

The Municipal Act lays out the terms of exceptions to public meetings. Subsection 239(2) (a-e) of the Municipal Act is comparable to exceptions in the subsection 207(2) of the Education Act.

Audit committee meetings for the City of Toronto are open to the public. If topics are moved to a closed setting, a motion must be adopted that sets out “the nature of the subject to be discussed and the statutory reason for closing the session”⁶. The public meeting minutes include the topics discussed, reports received and actions made during any closed sessions.

The section of the Municipal Act that covers meetings does not distinguish between meetings of council vs meetings of a committee of council. In practice, committees of council are held in open sessions until topics that are covered in section 239 of the Municipal Act arise, in which case the meeting moves into a closed session.

⁶ City of Toronto. (2015). *Open and closed meetings of City Council, its Committees and local Boards*. Retrieved from <http://www.toronto.ca/legdocs/open-closed-meetings/index.htm>

Healthcare

The Local Health System Integration Act lays the premise for board and committee meetings across health care systems in Ontario.

LOCAL HEALTH SYSTEM INTEGRATION ACT, 2006

S.o. 2006, chapter 4

Public meetings

(4) All meetings of the board of directors of a local health integration network and its committees shall be open to the public. 2006, c. 4, s. 9 (4).

Exceptions

(5) Despite subsection (4), a local health integration network may exclude the public from any part of a meeting if,

- (a) financial, personal or other matters may be disclosed of such a nature that the desirability of avoiding public disclosure of them in the interest of any person affected or in the public interest outweighs the desirability of adhering to the principle that meetings be open to the public
- (b) matters of public security will be discussed
- (c) the security of the members or property of the network will be discussed
- (d) personal health information, as defined in section 4 of the Personal Health Information Protection Act, 2004, will be discussed
- (e) a person involved in a civil or criminal proceeding may be prejudiced;
- (f) the safety of a person may be jeopardized
- (g) personnel matters involving an identifiable individual, including an employee of the network, will be discussed
- (h) negotiations or anticipated negotiations between the network and a person, bargaining agent or party to a proceeding or an anticipated proceeding relating to labour relations or a person's employment by the network will be discussed
- (i) litigation or contemplated litigation affecting the network will be discussed, or any legal advice provided to the network will be discussed, or any other matter subject to solicitor-client privilege will be discussed
- (j) matters prescribed for the purposes of this clause will be discussed, or
- (k) the network will deliberate whether to exclude the public from a meeting, and the deliberation will consider whether one or more of clauses (a) through (j) are applicable to the meeting or part of the meeting. 2006, c. 4, s. 9 (5).

The Local Health System Integration Act has many similarities to the Education Act in terms of exceptions to public meetings. Subsection 9(5) (b-c), (g) and (j) of the Local Health System Integration Act are comparable to exceptions in subsection 207(2) of the Education Act.

Audit committee meetings are made public and upon moving into a closed session, the applicable subsection 9(5) that allows for the topic to move into a closed session is disclosed and a form of common motion must be passed before the discussion in closed session can be held. In the public meeting minutes, the individuals that can attend the closed session are noted, as well as the topics discussed at the closed session (i.e., Board Chair expense review, Risk Report).

The Local Health System Integration Act is clear that both board of director meetings and audit committee meetings should be held in public.

Recommendations

Striking the right balance

The need for transparency and accountability towards the public is a fundamental principle in Public Sector governance. It is through transparent and accountable methods that the public is able to better understand and gain confidence over business decisions and how their tax dollars are effectively being spent to run the operations of the school boards. Weighing both sides of the scale, however we believe that the specific duties of the audit committee are best accomplished in closed session where committee members are able to openly discuss matters – many of which will be sensitive in nature.

Sufficient transparency can and should be achieved in summary reports of audit committee meeting which are presented at open board of trustee meetings.

Our recommendations on best practices for open and closed sessions for audit committees are as follows:

Trustees who are not members of the Audit Committee should be permitted to attend both open and closed sessions of the Audit Committee. A non-committee member Trustee who attends a committee meeting should only be permitted to observe unless they are invited to participate by the committee. Any documents that are provided to the audit committee related to both open and closed sessions should also be made available to the non-committee trustees. The chair of the audit committee should have discretion in determining which guests to the meeting should be allowed to present and discuss matters with the committee.

The public should have access to the minutes from any open session, while Trustees who are not on the committee should have access to the minutes of any closed and open session.

Recommendation #1 - Trustee attendance at audit committee meetings:

Trustees who are not members of the audit committee should be permitted to attend open and closed audit committee meetings in the capacity of an observer. Observers are typically not allowed to participate in meetings unless they are invited to participate in the meeting by the chair of the committee. However under no circumstances would a non-committee member be allowed to vote on recommendations of the audit committee. The public should have access to the minutes from any open session, while Trustees who are not on the committee should have access to the minutes of any closed and open session.

In-camera meetings

The main focus of this report is whether committee meetings should be open or closed, however, we believe that a distinction about in-camera sessions is appropriate. The Education Act allows for meetings to be held in an Open or Closed session, however Regulation 361/10 is where the ability to go in-camera resides. In-camera meetings are a best practice for audit committees in order to have sensitive conversations in the absence of staff and other parties. Non-audit committee members would typically not attend in-camera meetings unless requested to attend by the committee. A best practice of audit committees, for example, is to meet with the external auditor in-camera to understand how prepared management was for the audit, and whether there are any particular concerns that the auditor feels would be too sensitive to discuss in front of management. While auditors usually feel comfortable sharing any issue that they observe with management, an in-camera session is a best practice because it promotes an independent relationship between external parties who have a direct reporting relationship to the audit committee.

The determination to go in-camera can be done from either a closed session of the committee or an open session of the committee.

Purpose and benefit of different audience types

Open	Closed	In-camera
<p>Open sessions provide transparency to the stakeholder. Invitation to this portion of the audit committee meetings is not exclusive to anyone; however, participation will remain limited to the audit committee members and individuals invited to participate (i.e., RIAT, external auditor) to ensure topical and effective conversations. In these meetings, the transparency allows the audit committee to be directly accountable to the taxpayers and increases public confidence in the decision making, as they are in attendance and fully aware of the process.</p>	<p>Closed sessions have a more restrictive audience in the sense that invitation is only extended to audit committee members, Board of Trustees, relevant management and designated participants to report on certain matters and answer questions (i.e., internal or external auditor, legal counsel or representatives from a reporting entity). These sessions allow for sensitive topics and related recommendations to be discussed with all the facts and information prior to exposing the issues to the public...</p>	<p>In-camera sessions allow the audit committee to receive feedback from designated participants without the presence of other parties. These sessions allow participants to openly engage in issues with the appropriate parties and encourages more open and robust discussions. It is up to the committee to determine which parties they would like to meet with and whether other parties should be present.</p>

Recommendation #2 – In-camera sessions

Guidance from the Ministry should clarify that audit committees have the ability to go In-Camera (discuss topics without the presence of staff, including the Director of Education), and is acceptable under paragraph 10(c) of Regulation 361/10. In-Camera meetings should not involve any decision making, and would typically just involve discussion with the appropriate party. Examples of in-camera sessions would be when the committee meets with the internal or external auditor to discuss any matters of particular concern to the committee.

Communicating closed sessions

Audit committees should make publicly available a formal agenda that has been created and distributed in advance of the meeting. The agenda should outline topics for discussion in the open session. For closed sessions, the audit committee should state at the meeting the reasons as to why the committee would need to move into a closed session referencing the appropriate paragraph of 207(2) of the Education Act which permits the respective topic(s) to be held in closed session.

Any reports presented during the audit committee meeting should be made available to the Board of Trustees, regardless of whether the meeting was held in an open or closed session. If the reports were presented during the closed session of the audit committee, the Board of Trustees should keep that information closed as well.

Recommendation #3 – Communications of closed sessions

Audit committees should make publicly available a formal agenda for the open meeting that has been created and distributed in advance of the meeting. For closed sessions, the audit committee should state at the meeting the reasons as to why the committee would need to move into a closed session. Reports to the audit committee in an open session should be accessible to the public, while closed session reports should only be made available to the committee members, relevant management personnel, and the Board of Trustees.

Conducting meetings in a closed session

There have been several instances in the public sector in Ontario where the Ombudsman has pointed out that the practice of going into and out of a closed session was not done effectively. Best practices to consider when going in and out of open and closed sessions would include:

1. Clearly state at the meeting and in the minutes the reason for moving to a closed session and how that is acceptable under legislation
2. After the closed session, ensure that the public that is present has been invited back into the meeting room
3. Clearly state whether any decisions were made in the closed meeting, and if so, what those decisions were.

Recommendation #4 – Decision making in closed sessions

Recommendations made by the audit committee to the Board of Trustees should be made in an open session. Any decision making that occurs in a closed meeting could be perceived by the public as decision making with a lack of transparency and accountability. If it is not possible to make a decision in an open session (due to privacy or other closed session requirements), the audit committee should confirm how they meet the closed meeting requirements of 207(2) of the Education Act. When reporting to the Board of Trustees, the summary provided to the Board of Trustees should be in sufficient detail to understand the decisions and recommendations that came out of the closed meeting.

Minutes of closed and in-camera meetings

When audit committee meetings are closed or even in-camera, minutes of those meetings should be kept so that those who are present can refer back to the decisions reached if needed. The issue with closed and in-camera meeting minutes should not be about whether meeting minutes are kept, but more about how to control the distribution of those minutes. Once a meeting is closed, the access to those minutes should be restricted to the committee members, the Board of Trustees, and relevant staff. Minutes for closed sessions should be limited as the committee would be limited in the decisions that should be made. In-camera minutes should remain privileged to those who were in attendance at those meetings and certain other individuals, required to review them as part of their mandate (i.e. external auditors). Generally a staff minute taker of the committee would remain with the committee while the sensitive discussions are taking place. If an issue is too sensitive for even a staff member to remain to take notes, the chair of the committee could summarize the decision for the staff member after the committee comes out of the in-camera session.

Recommendation #5 – Access to minutes

During the closed session, minutes should be taken in the same detail as minutes taken at the open session (focusing on decisions that are made by the committee or recommendations to the Board of Trustees). Members of the Board of Trustees should have access to all minutes, whether open or closed, whereas the public should only have access to open meeting minutes. In Camera minutes should be taken in the rare circumstances that those parts of the meeting involve decision making, and in-camera minutes would be restricted to those required to review closed session meeting minutes in accordance with their mandate (i.e. external auditors in accordance with generally accepted auditing standards, and others such as legal counsel).

Guidance on when to close audit committee meetings

As a best practice, audit committee meetings should be closed to the public because of the amount of sensitive information that can be discussed. In the private sector, where transparency to the public is not as prevalent, audit committee meetings are always closed. While this is not necessarily an option for all public sector organizations, the transparency of the audit committee decision making process can be accomplished if there is effective reporting to the Board of Trustees that appropriately summarizes the decisions and thoughts of the audit committee.

Current legislation does not permit for audit committee meetings to be closed on a permanent basis. The determination of whether an item should be discussed in a closed or open session is ultimately based on the nature of the topic being discussed. Regulation 361/10 prescribes the duties of an audit committee and as the committee carries out each of these they will need to assess whether the topics that arise from carrying out those duties require the meetings to be closed. Appendix A of this report provides some considerations for audit committees on whether the meetings should be conducted in an open or closed session.

Recommendation #6 – Guidance on closing audit committee meetings

The Education Act outlines the circumstances in which an audit committee can be closed. Regulation 361/10 provides the authority for an audit committee to go in-camera, and also provides the duties of an audit committee. It is not the duties of an audit committee which would force the audit committee to move into a closed session or an in-camera session, but rather the nature of the topics being discussed. Judgement will be required to identify when those topics arise.

Accessibility of information

Our recommendations have identified that certain parties should have access to information in certain situations. The following table summarizes the accessibility of certain information that is provided for the Audit Committee and which other parties should have access to this information.

Information item	Available to public	Available to all trustees	Available to audit committee members
Agenda for open audit committee meetings	Yes	Yes	Yes
Agenda for closed audit committee meetings	No	Yes	Yes
Reports to be discussed in open sessions	Yes	Yes	Yes
Reports to be discussed in closed sessions	No	Yes	Yes
Minutes of open session	Yes	Yes	Yes
Minutes of closed session	No	Yes	Yes
Minutes of in-camera sessions	No	No	Yes

Appendix A – Duties of the Audit Committee

The following appendix examines the duties of an audit committee as described in regulation 361/10 and considers whether these duties could potentially lead to a discussion of topics that would result in a closed meeting under the Education Act. We have analysed the duties and provide a recommendation as to what duties would be appropriate to include in an open session. There are other duties which we could confirm should most likely occur in a closed session because they would often result in a conversation that would meet the closed session requirements under the Education Act. All other duties, the nature of whether it should be open or closed depends on the nature of the topic being discussed. The ultimate decision of whether a meeting should be open or closed does come from the nature of the topic being discussed, which this report does not and cannot contemplate. Users are cautioned not to use this report as a sole source for determining whether a meeting should be opened or closed.

Items for consideration for Open Sessions

Duties as per Regulation 361/10

- Review of the board's financial statements, including:
 - Relevant accounting and reporting practices and issues
 - Departures from CPA Canada's accounting principles, as applicable
 - Completeness
 - Consistent with known information
 - Reflect applicable accounting principles
 - Resolution to recommend approval of the audited financial statements
 - Review the mandate of internal audit
 - Review the activities of internal audit
 - Review the staffing and organizational structure of internal audit
 - Discussion of and resolution to recommend approval on a policy designating services that the external auditor may perform for the board and, if the board adopts the policy, to oversee its implementation
 - Coordination of efforts between internal and external audit
 - Review of processes for communicating and administering codes of conduct
 - Election of audit committee chair
 - Authorization of two consecutive absences for audit committee members
 - Declaration of conflicts of interest
 - Annual audit committee report to the board of trustees
-

Items for consideration for Closed Sessions

Duties as per Regulation 361/10	Explanatory Comments
<ul style="list-style-type: none"> Review of the external audit results 	<ul style="list-style-type: none"> External audit results will have communication requirements around fraud and internal controls. This could affect the security of the property of the board.
<ul style="list-style-type: none"> Review of any difficulties encountered by the external auditor 	<ul style="list-style-type: none"> This is usually noted in the audit results report from the auditor which should be discussed in a closed session.
<ul style="list-style-type: none"> Review of significant changes the external auditor made to the audit plan in response to issues identified in the audit 	<ul style="list-style-type: none"> This is usually noted in the audit results report from the auditor which should be discussed in a closed session.
<ul style="list-style-type: none"> Review of significant disagreements between the external auditor and the director/senior business official and how these were resolved 	<ul style="list-style-type: none"> This is usually noted in the audit results report from the auditor which should be discussed in a closed session. An in-camera session may be appropriate as well.
<ul style="list-style-type: none"> Review of all matters the external auditor is required to communicate to the audit committee under generally accepted auditing standards 	<ul style="list-style-type: none"> This is usually noted in the audit results report from the auditor which should be discussed in a closed session.
<ul style="list-style-type: none"> Review of material written communications between the external auditor and director/senior business official 	<ul style="list-style-type: none"> This is usually noted in the audit results report from the auditor which should be discussed in a closed session.
<ul style="list-style-type: none"> Discussion with the external auditor about whether the financial statements of the board's reporting entities, if any, have been consolidated with the board's financial statements 	<ul style="list-style-type: none"> This is usually noted in the audit results report from the auditor which should be discussed in a closed session.
<ul style="list-style-type: none"> Discussion with the external auditor on any other relevant issues 	<ul style="list-style-type: none"> This is usually noted in the audit results report from the auditor which should be discussed in a closed session.
<ul style="list-style-type: none"> Discussion of the board's significant financial risks and the measures taken to monitor and manage these risks 	<ul style="list-style-type: none"> Significant financial risks can affect the security of the property of the board and may contain information on transactions involving schools.
<ul style="list-style-type: none"> Review of the effectiveness of the board's system for monitoring compliance with policies, procedures and legislative requirements 	<ul style="list-style-type: none"> This discussion would often be a closed session due to the sensitivity of the items being discussed and the potential impact on the security of the property of the board.
<ul style="list-style-type: none"> Review of internal audit's effectiveness, including compliance with professional standards 	<ul style="list-style-type: none"> The discussion would likely entail information about the performance of an individual, which would be considered private under the Education Act.
<ul style="list-style-type: none"> Regional internal audit manager/regional internal audit team performance review 	<ul style="list-style-type: none"> The discussion would likely entail information about the performance of an individual, which would be considered private under the Education Act.
<ul style="list-style-type: none"> External Auditor Performance Review 	<ul style="list-style-type: none"> Assessing performance of a vendor should be done in a closed session due to the sensitivity of the topic.
<ul style="list-style-type: none"> Review of any investigation or action taken to address any instances of non-compliance 	<ul style="list-style-type: none"> This discussion would often be a closed session due to the sensitivity of the items being discussed and the potential impact on litigation affecting the board.
<ul style="list-style-type: none"> Obtain updates from senior management and legal counsel regarding compliance matters 	<ul style="list-style-type: none"> Matters that involve litigation should be disclosed in a closed session
<ul style="list-style-type: none"> Obtain from senior management confirmation of compliance with statutory requirements (e.g. compliance report) and related discussion 	<ul style="list-style-type: none"> Instances of non-compliance could result in litigation against the board
<ul style="list-style-type: none"> Annual Audit Committee Report to the Board of Trustees 	<ul style="list-style-type: none"> This report would summarize all of the committee's work, some which would have been conducted in a closed session.

Duties as per Regulation 361/10	Explanatory Comments
<ul style="list-style-type: none"> <li data-bbox="375 180 894 285">• Audit committee self-assessment 	<ul style="list-style-type: none"> <li data-bbox="894 180 1515 285">• In order to encourage open and honest feedback, this session should either be done in a closed session or in an in-camera session.
<ul style="list-style-type: none"> <li data-bbox="375 285 894 392">• Discussion of the board's significant risks with the director, Senior Business Official, Regional Internal Audit Manager/internal auditor, external auditor 	<ul style="list-style-type: none"> <li data-bbox="894 285 1515 392">• Significant risks would expose the security of the property of the board

Other duties

The other duties from Regulation 361/10 may or may not result in a discussion that would warrant a closed meeting. It will be up to the chair and those preparing for the meeting to conclude on whether a closed meeting would be appropriate based on the topic being discussed.

www.deloitte.ca

Deloitte, one of Canada's leading professional services firms, provides audit, tax, consulting, and financial advisory services. Deloitte LLP, an Ontario limited liability partnership, is the Canadian member firm of Deloitte Touche Tohmatsu Limited.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

© Deloitte LLP and affiliated entities.

York Catholic District School Board

Report

Report To: Audit Committee
From: Administration
Date: April 14, 2016
Report: **Ministry Memo 2016: SB05 – Trustee Training Module on Internal Audit and the Role of Audit Committee**

Executive Summary

The intent of this report is to provide information for Trustees on the release of the Ministry of Education’s on-line training module on “*Internal Audit and the Role of Audit Committees*”. The training is part of the Good Governance for School Boards: Trustee Professional Development Program.

Background Information

On March 1, 2016, the Ministry of “Education released its on-line training module on “*Internal Audit and the Role of Audit Committees*” to provide an additional resource for audit committee members and school board management working with audit committees.

The module (#19), in the format of slides and video testimonials, can be accessed via the Ontario Education Services Corporation (OESC) website (<http://modules.ontarioschooltrustees.org/en/internal-audit-and-the-role-of-audit-committees.html>).

Note: The Senior Business Official testimonial on the video has been provided by John Sabo, Associate Director, Corporate Services and Treasurer of the Board.

Audit Committee members are encouraged to review the Audit Committee Training Module prior to the Audit Committee meeting of April 19, 2016 to facilitate discussion should discussion be necessitated.

Ministry of Education

School Business Support Branch
900 Bay Street
19th Floor, Mowat Block
Toronto, ON M7A 1L2

Ministère de l'Éducation

Direction du soutien aux activités
scolaires
900 rue Bay
19^e étage, édifice Mowat
Toronto ON M7A 1L2



2016: SB05

MEMORANDUM TO: Directors of Education
Senior Business Officials

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: March 1, 2016

SUBJECT: **Trustee Training Module on Internal Audit and The
Role of Audit Committees**

The purpose of the memorandum is to announce the release of an online training module on "Internal Audit and The Role of Audit Committees" as part of the Good Governance for School Boards: Trustee Professional Development Program.

This module, available in both English and French, captures the key messages from the training on audit committees and internal audit that took place across the province in early 2015. It was developed by Ontario Education Services Corporation (OESC) and can be found on the OESC's [website](#) as module #19.

The module is comprised of informational slides, as well as testimonials from the presidents of the four trustee associations and two superintendents of business highlighting personal experience with their own board's audit committee and regional internal auditors.

The material is provided in three parts:

- Part A: Introduction
- Part B: The Internal Audit Function
- Part C: Audit Committees

This information provides audit committee members and school board management who work with their audit committee with an additional resource. It offers an introduction for those who are new to their role and a refresher on roles and responsibilities for those who have received previous training. As the website is public-facing, external audit committee members will also have access.

We encourage you to share this training opportunity with your audit committee members.

For any questions relating to the training module, please contact Paula Hatt, Senior Analyst, Audit at paula.hatt@ontario.ca or 416-326-1170.

Original signed by

Cheri Hayward
Director
School Business Support Branch

cc: Regional Internal Audit Managers
Dan Duszczyzyn, Regional Internal Audit Coordinator

York Catholic District School Board

REPORT

Report To: Audit Committee
From: Administration
Date: April 19, 2016
Report: March 31, 2016 Financial Reporting Requirements (2016 March Report)

EXECUTIVE SUMMARY

The purpose of this report is to provide information on the financial reporting processes and requirements for the 2016 March Report. The 2016 March Report is required from school boards to consolidate broader public sector organizations into the province's audited financial statements.

MARCH REPORT OBJECTIVE

The objective of the 2016 March Report is to assist the province to complete their fiscal year-end financial statements. School boards are mandated, within the provincial materiality limits, to complete reporting to capture the assets and liability account balances as of March 31, 2016, seven-month revenue and expenses, supplementary notes information, government reporting entity inter-organizational balances and the seven-month capital activity. Administration is currently finalizing transactions, accruals, EFIS Schedules (Electronic Financial Information System) and the preparation of the necessary back-up information required by the auditors. The Board's external auditors, Grant Thornton, will commence the provincially prescribed Specified Procedures engagement on April 25, 2016.

MINISTRY REPORTING REQUIREMENTS: March Report

Per the Ministry memorandum 2016: SB11: March 31, 2016 Financial Reporting Requirements (attached as *Appendix A*), the Ministry requires school boards to:

- File ***March Report*** through EFIS (Electronic Financial Information System) web application financial package by **May 16, 2016**. Cash flow penalties are in effect for late submissions in EFIS.
- Engage their external auditors to perform specified procedures on some of the schedules relating to the March 31, 2016 financial reporting requirements. The results of the review are to be reported to the Ministry in the form of a specified procedures report entitled "***Accountants' Report with Respect to the Period from September 1, 2015 to March 31, 2016***" by **May 23, 2016**.

March 31, 2016 Financial Reporting Requirements

New for 2015-16:

1. **Capital Grants schedules** – Updated to reflect new funding sources for Child Care Capital, New School Condition Improvement (SCI) Restricted (80%) and Unrestricted (20%).
2. **Capital Expenditures reporting – SCI, School Renewal and Child Care Capital** - New schedules to record details of expenditures in these funding categories. Note that under Ministry Memorandum (*Appendix B*) 2016: SB09, *2016-17 School Condition Improvement Funding*, there is another new requirement to report SCI expenditure details into the Ministry's new system, School Condition Assessment Program, by April 15, 2016 for integration into the Ministry's web-based Financial System, EFIS.

NEW: MINISTRY REPORTING REQUIREMENTS: Employee Health, Life and Dental Benefits March Report

SB 2016: SB08: Employee Health, Life and Dental Benefits Transformation –Updates and Reporting Requirements (attached as *Appendix C*) announced additional Specified Audit Procedures to be performed by the external auditors designed to satisfy the due diligence review process as outline in the benefits letter of agreements (related to transition of existing employee benefits plans to the new Provincial Benefits Trusts) which are part of the central collective agreements. The procedures are performed on *Benefits Listing Templates* in which school boards have summarized the type of benefit plans offered by bargaining or employee group and submitted to the Ministry in January/February of 2016. The primary purpose of the Benefits Templates is to determine the specific rate an individual board must pay into each Benefits Trust.

The Benefits Templates are quite complex. As per the Ministry memorandum, pre-recorded webinar training is made available to school board external auditors to support this new Specified Audit Procedures requirement.

SUMMARY

This report and the attachments provide information on the 2016 March Reporting Requirements and changes. The amount of work, reporting, and cross-functional coordination continue to significantly grow. It is the intent of administration to submit the EFIS package, the two Specified Procedures reports, the Management Report and the Contaminated Sites Process questionnaire by the deadlines prescribed by the Ministry.

Prepared by: Lucie Giambattista, Manager, Accounting, Payroll and Benefit Services
Submitted by: Anna K. Chan, Coordinating Manager, Business Services/Assistant Treasurer
Endorsed by: John A. Sabo, Associate Director, Corporate Services/Treasurer

Ministry of Education
Financial Analysis and
Accountability Branch
20th Floor, Mowat Block
Queen's Park
Toronto, Ontario M7A 1L2

Ministère de l'Éducation
Direction de l'analyse et de la
Responsabilité financières
20^e étage, édifice Mowat
Queen's Park
Toronto, Ontario M7A 1L2



2016: SB11

MEMORANDUM TO: Superintendents of Business

FROM: Med Ahmadoun
Director
Financial Analysis and Accountability Branch

DATE: April 1, 2016

SUBJECT: March 31, 2016 Financial Reporting Requirements

As in previous years, the March Report is required from school boards to consolidate broader public sector organizations into the province's audited financial statements. The objective of the 2016 March Report is to capture the asset and liability account balances as of March 31, 2016, 7-month revenues and expenses, supplementary notes information, government reporting entity inter-organizational balances, and finally the 7-month capital activity.

March Report (September 2015 to March 2016)

The reporting requirements for the 7-month period March Report are very similar to the forms released last year on the EFIS 2.0 platform. Boards should review the "Summary of Changes for 2016 March Report" section of the instruction document before starting their work on the March Report. Generally, the schedules have been updated to correspond to the 2014-15 financial statements and 2015-16 revised estimate forms. The main changes this year are listed below:

- Schedule 20S – Supplementary Information and Notes to the Financial Statement now has a confirmation tab. Boards are required to confirm the schedule was reviewed before submission.
- Schedule 21E – Deferred revenues has been updated to include lines for the Student Achievement Envelope, OLE Grants and Proceeds of Disposition –

regular. The name of line 2.4.1 is changed to School Condition Improvement (SCI) – Old. All new SCI funding will flow through Schedule 23, 7-Month Capital Grant Room. SCI that is currently in deferred revenue will remain there until it is used, but no further amounts will be added.

- Schedule 23 – 7-Month Capital Grant Room is modified to include three new funding sources: Child Care Capital, New School Condition Improvement Restricted (80%) and Unrestricted (20%). Corresponding changes are made to the input sub-schedules, including a new page to record detailed SCI and School Renewal expenditures and a new page to record detailed Child Care Capital expenditures.
- The funding formula in Schedule 25 – Full Day Kindergarten Accommodation Allocation Continuity is updated to remove the first-time equipping allocation, consistent with the 2015-16 revised estimates package.

The detailed instructions on the March Report are available through the “Consolidation Reporting” link on the [Ministry website](#). Boards are reminded to retain records of the March 31, 2016 general ledger and sub-ledger accounts, as well as other applicable records and documentation that support specified adjustments on Schedules 19 and 20. Boards should also keep a detailed listing of the assets that support Schedule 22 (i.e. balance and activity information).

Specified Procedures Report

Consistent with prior years, school boards are required to engage their external auditors to perform specified procedures on some of the schedules relating to the March 31, 2016 financial reporting requirements. The results of the review should be reported to the Ministry in the form of a specified procedures report. A sample specified procedures report, entitled “Accountants’ Report with Respect to the Period from September 1, 2015 to March 31, 2016”, is available on the [Ministry website](#) through the “Consolidation Reporting” link.

This memorandum will also be sent to the school boards’ external auditors. However, to ensure receipt in all instances, school boards are asked to also forward to their auditors a copy of this memorandum. No substantive changes have been made to the report this year.

Submission

March report submissions via EFIS are due by **May 16, 2016**. The Specified Procedures Report and the signed Management Representation Report (printed from EFIS) must also be submitted to the Ministry by the school board by **May 23, 2016**. Please e-mail PDF versions of the three documents above to reporting.entity@ontario.ca, using the

subject "2015-16 March Report - <2-digit board number> <board name>". For example, "2015-16 March Report - 12 Toronto DSB". Please use the following naming convention for the PDF files:

- <2-digit board number><board name> 2015-16 Specified Procedures Report
 - Ex. "12 Toronto DSB 2015-16 Specified Procedures Report"
- <2-digit board number><board name> 2015-16 Management Representation
 - Ex. "12 Toronto DSB 2015-16 Management Representation"

Late Submissions

Due to the critical timelines for meeting the requirements of the 2015-16 public accounts, the Ministry will not be able to extend the above timeline. Where a board submits the above reports after the dates specified, its regular cash flow may be reduced by 50% for the June 2016 payment and for subsequent monthly transfer payments. Upon submission of the required reports, the Ministry will revert back to the normal monthly payment process and will include in the monthly payment the total amount withheld up to that point.

Contacts

For user/navigation assistance on EFIS, questions about the March 2016 report and the external accountant's report, please contact:

- Elizabeth Sinasac at (416) 325-8527 (elizabeth.sinasac@ontario.ca),
- Patrick Pelletier at (416) 325-3314 (patrick.pelletier@ontario.ca), or
- Andrew Yang at (416) 325-4212 (andrew.yang@ontario.ca)

For user id login and password assistance, contact:

- EFIS Support at (416) 326-8307 or efis.support@ontario.ca

Original signed by

Med Ahmadoun
Director
Financial Analysis and Accountability Branch

cc: Directors of Education
School Board Auditors

Ministry of Education

Benefits Trust Branch
20th Floor, Mowat Block
Queen's Park
Toronto ON M7A 1L2

Ministère de l'Éducation

Direction des fiducies des avantages
sociaux
20e étage, Édifice Mowat
900, rue Bay
Toronto ON M7A 1L2 Queen's Park



2016: SB08

MEMORANDUM TO: Senior Business Officials

Secretary Treasurers of School Authorities (Isolate Boards)

Business Administrators (Section 68 School Authorities)

FROM: Doreen Lamarche
Director
Benefits Trust Branch

DATE: March 31, 2016

SUBJECT: **Employee Health, Life & Dental Benefits Transformation - Updates and Reporting Requirements**

This memorandum pertains to the next steps regarding benefits in follow-up to 2015:SB38. I would like to thank everyone for all of the work that is going into gathering the necessary information to ensure a smooth transition of existing employee benefits plans to the new Provincial Benefits Trusts (Trusts). This information is currently being reviewed and the ministry will continue reaching out to you where additional information is required to support this important data collection process.

A. Revised Reporting Requirements

Beginning with the 2015-16 financial statement submission and for every reporting cycle that follows (except for the annual March Report where applicable), boards will be required to report staffing information for two count dates, October 31st and March 31st in the Education Finance Information System (EFIS) or via Excel, as applicable. Previously, the information was only required as of October 31st of each year.

The current format of Appendix H will be also revised such that the staffing categories

will be classified not only by program but also by central bargaining or employee group. The revised Appendix H forms will be similar to the full-time equivalency (FTE) data worksheets that were submitted by boards in February 2016 as part of the Benefits Data and FTE template (see memo 2015:SB38 for more details).

Therefore, boards should ensure that they are able to capture the new FTE reporting requirements for the new reporting period starting with March 31, 2016 which will be used to support the completion of your 2015-16 financial statements.

B. Employee Health, Life and Dental Benefit Costs for 2016-17 Estimates

As boards haven't yet been advised as to when they will be transitioning to the Trusts in the 2016-17 school year, you are encouraged to estimate your 2016-17 benefits cost as follows:

The greater of:

- a) 2014-15 actual benefit costs* + 4% increase for 2015-16 + an additional 4% increase for 2016-17
- b) 2016-17 projected benefit costs (as determined through discussions with your benefits carrier)

This approach ensures that a school board has conservatively estimated the 2016-17 benefit costs.

*Taking into consideration changes to FTE in 2016-17

C. Specified Audit Procedures

(Applies to district school boards only)

The ministry, with the collaboration of school boards and external auditors, are developing specified audit procedures relating to the Benefits Data and FTE template submitted to the ministry in February 2016. These specified audit procedures are designed to satisfy the due diligence review process as outlined in the benefits letter of agreements which are part of the central collective agreements.

To support the sector with this new requirement, the ministry will provide training targeted for the school board external auditors. This training will be a pre-recorded webinar which will be posted on the FAAB website at the following link:

<https://efis.fma.csc.gov.on.ca/faab/>

The FAAB website will also include the specified audit procedures template that is to be completed and returned to the ministry no later than May 15, 2016 at the following mailbox: Benefits@ontario.ca.

Both the training materials and the template will be available as of April 8, 2016.

D. Retiree Benefit Plan Data

As noted in the 2015:SB38 memo issued in December 2015, the ministry collected information on retirees who continue to receive employee benefits from the school boards post retirement as they will be receiving their benefits from the Trusts. Additional communication will be forthcoming that can be shared with retirees to ensure that they are aware of this important change and to ensure their smooth transition to the Trusts.

For any questions in regards to this memorandum, please contact:

-Doreen Lamarche at 416-326-0999 or by email at Doreen.Lamarche@ontario.ca

-Romina Di Pasquale at 416-325-2057 or by email at Romina.DiPasquale@ontario.ca

Original signed by

Doreen Lamarche

Director

Benefits Trust Branch

cc: Directors of Education
School Board External Auditors

Ministry of Education
Capital Policy and Programs
Branch
900 Bay Street
19th Floor, Mowat Block
Toronto ON M7A 1L2

Ministère de l'Éducation
Direction des politiques et des
programmes d'immobilisations
900, rue Bay
19^e étage, Édifice Mowat
Toronto ON M7A 1L2



2016: SB09

MEMORANDUM TO: Superintendents of Business
Superintendents of Facilities

FROM: Grant Osborn
Director
Capital Policy and Programs Branch

DATE: April 1, 2016

SUBJECT: 2016-17 School Condition Improvement Funding

This memorandum is intended to provide school boards with additional information about the changes to the School Condition Improvement (SCI) funding allocations for 2016-17 that were announced in memorandum **2016:B06** Grants for Student Needs Changes for 2015-16 and 2016-17.

For 2016-17, \$500 million will again be allocated to school boards through the SCI program to address the significant backlog in school renewal needs. SCI funding will be allocated to school boards, for schools open and operating in the 2015-16 school year, in proportion to the renewal needs assessed for these facilities during the 2011-2015 cycle of the Ministry's Condition Assessment Program. Please see **Appendix A** for individual school board allocations.

While the total province-wide 2016-17 SCI funding allocation will continue to remain at \$500 million, individual board allocations have changed from 2015-16. For 2015-16, funding was allocated based on the actual renewal needs of approximately 3,500 schools assessed between 2011 and 2014, as well as the modelled renewal needs of the remaining schools that had not yet been assessed in 2014 or 2015. For 2016-17, funding is being allocated based on the actual renewal needs of all schools (approximately 4,500) that were eligible to be assessed in the complete 2011 to 2015 cycle.

As a result, individual board SCI funding variations for 2016-17 SCI are attributed to the following:

- A board's actual 2014 or 2015 condition assessment being higher or lower than the condition that had been modelled for 2015-16 SCI funding;
- Closure of schools between the release of the 2015-16 SCI funding allocation and the 2016-17 SCI funding allocation, resulting in an improvement of a board's overall school condition results, and therefore, a decrease in SCI funding.

Please refer to memorandum **2016:B06** and memorandum **2015:SB37**, Reporting Renewal Expenditures and an Update on the School Condition Assessment Program, for details on school board reporting requirements for renewal expenditures funded through SCI. Please note the following for the reporting of 2015-16 SCI expenditures:

Expenditure Period		Deadline	Last Update to EFIS
Expenditure from:	Expenditure to:		
September 1, 2015	March 31, 2016	April 15, 2016	April 22, 2016.
April 1, 2016	August 30, 2016	September 30, 2016	October 31, 2016

As part of the Capital Planning Capacity Program (CPC), all school boards have received funding under the Data Management to help adjust to these reporting requirements. CPC was announced as part of the 2014-15 GSN. Allocations for the 2015-16 and 2016-17 school year have been announced in memorandum 2016:B04.

Also, as previously announced, the Ministry is continuing the Condition Assessment Program for another five year cycle beginning in 2016. The Ministry will be issuing a memorandum with additional details about the new assessment cycle in the near future.

For questions about any of the information included in this memorandum, please contact Hitesh Chopra, Team Lead, Policy, Capital Policy and Programs Branch, at (416) 325-1887 or Hitesh.Chopra@ontario.ca.

Original signed by:

Grant Osborn
 Director
 Capital Policy and Programs Branch

Appendix A: 2016-17 School Condition Improvement Allocation

DSB#	District School Board Name	Allocation (\$)
1	DSB Ontario North East	4,576,570
2	Algoma DSB	5,419,230
3	Rainbow DSB	5,327,310
4	Near North DSB	5,042,130
5.1	Keewatin-Patricia DSB*	4,318,500
5.2	Rainy River DSB	2,290,500
6.1	Lakehead DSB	4,952,410
6.2	Superior-Greenstone DSB	2,594,070
7	Bluewater DSB	5,239,160
8	Avon Maitland DSB	4,774,200
9	Greater Essex County DSB	12,622,060
10	Lambton Kent DSB	8,044,460
11	Thames Valley DSB	23,601,620
12	Toronto DSB	123,622,960
13	Durham DSB	12,799,120
14	Kawartha Pine Ridge DSB	5,363,870
15	Trillium Lakelands DSB	4,076,590
16	York Region DSB	10,666,380
17	Simcoe County DSB	6,645,560
18	Upper Grand DSB	3,859,970
19	Peel DSB	32,322,750
20	Halton DSB	8,435,810
21	Hamilton-Wentworth DSB	11,194,150
22	DSB of Niagara	7,362,760
23	Grand Erie DSB	6,360,460
24	Waterloo Region DSB	7,841,720
25	Ottawa-Carleton DSB	26,328,170
26	Upper Canada DSB	11,463,130
27	Limestone DSB	7,001,760
28	Renfrew County DSB	3,252,240
29	Hastings and Prince Edward DSB	6,687,370
30.1	Northeastern Catholic DSB	1,273,270
30.2	Nipissing-Parry Sound Catholic DSB	949,800
31	Huron-Superior Catholic DSB	1,362,490
32	Sudbury Catholic DSB	1,760,780
33.1	Northwest Catholic DSB	603,340
33.2	Kenora Catholic DSB	628,940
34.1	Thunder Bay Catholic DSB	2,879,250
34.2	Superior North Catholic DSB	1,082,350
35	Bruce-Grey Catholic DSB	325,270
36	Huron-Perth Catholic DSB	245,410
37	Windsor-Essex Catholic DSB	3,802,210

DSB#	District School Board Name	Allocation (\$)
38	London District Catholic School Board	2,594,450
39	St. Clair Catholic DSB	1,561,450
40	Toronto Catholic DSB	18,224,950
41	Peterborough V N C Catholic DSB	1,342,750
42	York Catholic DSB	7,066,730
43	Dufferin-Peel Catholic DSB	6,808,830
44	Simcoe Muskoka Catholic DSB	1,145,940
45	Durham Catholic DSB	2,379,990
46	Halton Catholic DSB	2,218,750
47	Hamilton-Wentworth Catholic DSB	3,905,130
48	Wellington Catholic DSB	483,690
49	Waterloo Catholic DSB	4,225,280
50	Niagara Catholic DSB	4,717,870
51	Brant Haldimand Norfolk Catholic DSB	1,287,550
52	Catholic DSB of Eastern Ontario	1,795,290
53	Ottawa Catholic DSB	7,844,840
54	Renfrew County Catholic DSB	1,884,280
55	Algonquin and Lakeshore Catholic DSB	2,672,380
56	CSD du Nord-Est de l'Ontario	284,610
57	CSD du Grand Nord de l'Ontario	1,817,800
58	CS Viamonde	4,412,890
59	CÉP de l'Est de l'Ontario	2,027,780
60.1	CSD catholique des Grandes Rivières	4,996,190
60.2	CSD catholique Franco-Nord	1,519,300
61	CSD catholique du Nouvel-Ontario	3,020,380
62	CSD catholique des Aurores boréales*	139,070
63	CS catholique Providence	1,541,910
64	CSD catholique Centre-Sud	2,770,170
65	CSD catholique de l'Est ontarien	2,998,450
66	CSD catholique du Centre-Est de l'Ontario	3,311,200

*Notional allocation. Funding has not been tabled in the GSN.

York Catholic District School Board

REPORT

Report To: Audit Committee
From: Administration
Date: April 19, 2016
Report: August 31, 2016 Year-End Proposed Schedule for Activities and Meetings

EXECUTIVE SUMMARY

This report is intended to provide information on the proposed schedule for August 31, 2016 year-end audit activities and meeting requirements.

BACKGROUND INFORMATION

On an annual basis, the Board is required to file Audited Financial Statements for the period September 1 to August 31 with the Ministry. To meet this requirement, the following dates are being proposed to review and approve the Board's financial position and Audited Financial Statements for the period ended August 31, 2016.

PROPOSED DATES

A planning meeting with Grant Thornton is scheduled for late spring to review the timelines and audit visits. A Ministry session is normally scheduled in the fall to confirm deliverables and dates.

Activity	Proposed Dates Year end 2015/16	Actual Dates Year end 2014/15
PLANNING AND INTERIM AUDIT ACTIVITIES		
Planning meeting with Grant Thornton	May 26, 2016	May 25, 2015
Grant Thornton - Planning Audit	Week of June 13, 2016	Week of June 15, 2015
Grant Thornton - Interim Audit	Week of August 29, 2016	Week of August 31, 2015
Information Systems - Control testing	Week of August 22, 2016	Week of August 25, 2015
School Enrollment Audits	School Visits-> TBD for Oct31 Enrolment; TBD for Mar31 Enrolment	School Visits-> September 17&18,2015 for Oct31 Enrolment; September 23&24, 2015 for Mar31 Enrolment
YEAR END AUDIT ACTIVITIES		
Audit Committee - External Auditors (Grant Thornton) Year-End Plan	September 28th, 2016	September 30th, 2015
Year-End Activities - Finance	September 1 - November 11th	September 1 - November 13th
Grant Thornton - Year End Audit (On-site)	October 11th - 28th (3 weeks)	October 8th - 26th (3 weeks)
Audit Close Meeting with Grant Thornton and Management	October 31, 2016	November 2, 2015
Audit Committee - Approval of Financial Statements	November 8th, 2016	November 10th, 2015
Board Meeting - Approval of Financial Statements	November 8th, 2016	November 10th, 2015
Ministry Deadline - EFIS	November 15, 2016	November 13, 2015
Ministry Deadline - Financial Statements	November 15, 2016	November 13, 2015

Prepared by: Lucie Giambattista, Manager, Accounting, Payroll and Benefit Services
 Submitted by: Anna K. Chan, Coordinating Manager, Business Services/Assistant Treasurer
 Endorsed by: John A. Sabo, Associate Director, Corporate Services/Treasurer

Report

Report To: Audit Committee
From: Administration
Date: April 13, 2016
Subject: **Healthy Schools Strategy Provincial Audit**

Executive Summary:

This report is intended to provide information to Trustees regarding the review of the Healthy Schools Strategy and the request for a York Catholic DSB representation to speak to this issue at the Legislative Assembly of Ontario on May 4, 2016.

Background Information:

The Office of the Auditor General of Ontario's 2015 Annual Report included a section (§ 4.03) regarding the Healthy Schools Strategy. To this, the Committee on Public Accounts will undertake a review of the Ministry of Education and three school boards (Hamilton-Wentworth DSB, Trillium Lakelands DSB and York Catholic DSB); this review/hearing will provide an opportunity for the Director of Education to present an overview of the York Catholic DSB initiatives taken to-date to address this issue. Correspondence dated April 6, 2016 from the Legislative Assembly of Ontario, has been attached as Appendix A. Completion of the Status Report, as required by the Standing Committee, is still in progress.

Further, B. Lysyk, Auditor General of Ontario (AGO), attended the March 2016 CSBSA Networking Symposium to present an overview of recent initiatives of the AGO. Included as Appendix B is an extract of the Healthy Schools Strategy PowerPoint presentation including Objective and Scope, Summary of Findings, Summary of Recommendations and Follow-up report.

Summary:

The Standing Committee on Public Accounts will be conducting a series of hearings on May 4, 2016 in response to the 2015 Annual Report of the Auditor General of Ontario Section 4.03 – Healthy Schools Strategy. Updates will be provided to the Board as information becomes available.



April 6, 2016

Patricia Preston
Director of Education
York Catholic District School Board
320 Bloomington Rd W
Aurora, ON L4G 0M1

Dear Ms. Preston,

The Standing Committee on Public Accounts will be reviewing **Healthy Schools Strategy (Section 4.03 of the 2015 Annual Report of the Office of the Auditor General of Ontario)**.

I have been instructed by the Committee to arrange for your attendance, together with **George Zegarac, Denise Dwyer, Larry Hope, and Manny Figueiredo**, to provide the Committee with a response to the Auditor General's report and to answer any questions Committee Members may have. It is anticipated that you will give a brief overview of up to 20 minutes combined, including any information on proposed or completed work-plans designed to address the concerns outlined in the report.

The hearings are scheduled for **Wednesday, May 4, 2016**, and will take place in Committee Room 151 of the Main Legislative Building between 12:30 p.m. and 3:00 p.m.

Please find enclosed a sample of the suggested format for your status report. It would be appreciated if this information along with an electronic version could be received by our office at least two weeks prior to your hearings date. Should you provide any other written material thereafter, please bring 20 copies with you to the meeting.

I would appreciate if you could confirm in writing your attendance as well as the names and titles of any other staff who may be accompanying you.

On behalf of the Committee, I thank you for your assistance in this matter. If you require further information, please contact Valerie Quioc Lim, Clerk of the Committee at 416-325-7352 or at vquioc@ola.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ernie Hardeman', written over a large, loopy flourish.

Ernie Hardeman, MPP
Chair of the Committee

Cc: Bonnie Lysyk, Auditor General of Ontario
George Zegarac, Deputy Minister of Education
Denise Dwyer, Assistant Deputy Minister, Leadership and Learning Environment Division
Larry Hope, Director of Education, Trillium Lakelands District School Board
Manny Figueiredo, Director of Education, Hamilton-Wentworth District School Board

**Summary Status Table in Response to the
2015 Annual Report of the Auditor General of Ontario
Section 4.03 – Healthy Schools Strategy**

**Ministry of Education / Hamilton-Wentworth District School Board /
Trillium Lakelands District School Board / York Catholic District School Board**

Auditor's Recommendation	Completed undertaking	Outstanding undertaking (including timeline)



Office of the Auditor General of Ontario
Bureau du vérificateur général de l'Ontario

Morning Chat with the Auditor General of Ontario

Presentation for the CSBSA 2016 Networking Symposium

Bonnie Lysyk, CPA, CA, MBA
Auditor General of Ontario

March 4, 2016



Overview

- About the Office of the Auditor General
- What's New – 2015 Reports
- General Observations - 2015
- Education Sector - 2015
 - Student Transportation (2015)
 - Healthy Schools Strategy Follow Up (2013)
- Infrastructure Planning & University Intellectual Property & Electricity Power System Planning
- Future Work





Healthy Schools Strategy (2013 Annual Report)



Objective and Scope

- An audit of the Ministry's 4th Strategy
- **Objective:** To assess whether the Ministry of Education and selected school boards had adequate procedures in place to:
 - Implement policies and initiatives designed to help improve health and academic achievement for Ontario's students through better eating habits and increased physical activity; and ensure the identification of good practices, oversight of schools, and the measurement and reporting of results
- Conducted audit work at Ministry and three School Boards



Summary of Findings

- Ministry and school board efforts to monitor compliance with the School Food and Beverage Policy were either absent or minimal
- None of the three school boards had reviewed food and beverages sold in school cafeterias for compliance – our testing highlighted non-compliance with nutrition standards
- Since policy, cafeteria and vending revenues declined
- Neither Ministry or school boards monitored that elementary students received 20 minutes of exercise daily during instruction time – 50% surveyed indicated not provided



Summary of Findings

- Secondary students received only one credit course in health and physical education
- Only 20% of students in grades 7-12 indicated that they participated in 60 minutes of daily physical activity
- No data/measurement to determine if program objectives were being met



Summary of Recommendations

- Ministry and School Boards should develop strategies to monitor compliance with the School Food and Beverage Policy, and capture data on the benefits of and challenges to implementing the policy to identify areas for future work
- Ensure school administrators and teachers receive training and supports to implement the policy and promote healthy eating in the classroom, and on how to effectively incorporate daily physical activity into the school day
- Develop measureable objectives and performance indicators for healthy eating activities, and periodically measure progress



Summary of Recommendations

- Assess options for providing sufficient physical activity in both elementary and secondary schools
- Explore opportunities to improve communication with parents regarding healthy eating and physical activity
- Work with other relevant organizations with similar goals to better integrate and leverage activities to encourage healthy eating and activity



Follow-Up Report

- Follow-up issued in 2015
- More effort still needed to implement recommendations
- Of four recommendations (consisting of 10 actions):
 - 18% in progress
 - 82% little or no progress
- Ministry planning to work with school boards to review the effectiveness of the School Food and Beverage Policy, and Daily Physical Activity Policy



Follow-Up Report

- In 2014, the government committed to a long-term goal of 60 minutes of physical activity connected to the school day
- One of the school boards we had visited during our 2013 audit had introduced a Healthy Schools lead who was trained to provide daily phys-ed and share information with other schools
- This board also hired a Healthy Active Living consultant who held workshops for teachers



Report

Memo To: Audit Committee
From: Administration
Date: April 13, 2016
Subject: External Member Reappointment

Executive Summary

The purpose of this report is to facilitate initial discussion with regard to the Audit Committee external member reappointment, as the three-year term as defined by approved Board motion, will expire in April 2017.

Background Information:

In accordance with Ontario Regulation 361/10 “*Audit Committees*” under the Education Act, YCDSB established an Audit Committee on January 18, 2011 (Board Motion 2011:23 f – Appointment of External Audit Committee Members) which, per the Act, was comprised of three board members and two external persons who are not board members. Section 7, Term of Appointment, states that:

7. (1) *The term of office of a member of the audit committee who is a board member shall be determined by the board but shall not exceed four years.*
- (2) *The term of office of a member of the audit committee who is not a board member shall be determined by the board but shall not exceed three years.*
- (3) *Subject to subsection (4), a member of the audit committee may be reappointed.*
- (4) *An individual who is not a board member may not be appointed to the audit committee more than twice unless,*
 - (a) *the board advertised the position for at least 30 days; and*
 - (b) *after the 30 days, the selection committee did not identify any potential candidates.*
- (5) *When the term of a member of the audit committee expires, he or she continues to be a member until a successor is appointed or the member is reappointed.*

At the April 29, 2014 Board meeting, the Committee of the Whole approved the reappointment of the two external Audit Committee members, in accordance with Ontario Regulation 361/10 “*Audit Committees*” Section 7 – Term of Appointment, under the Education Act, for a second three-year term beginning on April 6, 2014 and ending on April 6, 2017.

Conclusion:

In accordance with the O. Reg. 361/10, the term for the two external Audit Committee members is three years. The initial term of office for the external members began with the inaugural Audit Committee meeting of April 5, 2010 and ended on April, 14, 2014. The second term of office began on April 14, 2014 and will expire in April 2017. At this time, it is necessary for the Board to seek/appoint successors or, should a successor not be found, to determine whether the current external member(s) are interested in reappointment.

TERMS OF REFERENCE

RE:

TORONTO AND AREA (TA) REGIONAL INTERNAL AUDIT (RIA) COORDINATING & STEERING COMMITTEE (CSC) (Effective April 1, 2016)

Mandate:

The Mandate of the Toronto and Area (TA) Regional Internal Audit (RIA) Coordinating & Steering Committee (CSC) shall be to assist in the coordination/implementation of the RIA initiative of the TA Boards and to facilitate discussions and action where required. Member boards include the following:

- Toronto Catholic District School Board (TCDSB)
- Toronto District School Board (TDSB)
- Peel District School Board (PDSB)
- Dufferin-Peel Catholic District School Board (DPCDSB)
- York Region District School Board (YRDSB)
- York Catholic District School Board (YCDSB)

Committee Membership:

The membership of the TA-RIA-CSC will include one senior business official from each of the above-mentioned boards who will serve as the primary committee member. *Note: Each board will appoint a designate in order to ensure board representation at the CSC meetings.*

The composition of the TA-RIA-CSC for 2014-15 will be as follows:

Board	Primary	Designate
Toronto CDSB	Paul De Cock paul.decock@tcdsb.org (416)222-8282 x 2337 Comptroller of Business Services & Finance	Carlene Jackson Carlene.jackson@tcdsb.org (416) 222-8282 x Executive Superintendent for Business Services & Chief Financial Officer
Toronto DSB	Marisa Chiu marisa.chiu@tdsb.on.ca (416) 395- 3563 Audit & Risk Manager	Craig Snider craig.snider@tdsb.on.ca (416) 395- 9582 Comptroller Budget, Revenue and Financial Planning
Peel DSB	Tania Alatishe-Charles tania.alatishecharles@peelsb.com (905)890-1010 x 2100/(800)668-1146 Controller, Financial Support Services	TBD ()
Dufferin-Peel CDSB	Julie Cherepacha julie.cherepacha@dpdsb.org (905)890-0709 x 24262/(800)387-9501 Superintendent of Financial Services	Brian Hester brian.hester@dpdsb.org (905)890-0709 x 24571/(800)387-9501 General Manager of Financial Services
York RDSB	Wanda Muirhead wanda.muirhead@yrdsb.ca (905) 727-3141 x2425/(800) 268-1660 Superintendent of Business	Tim Ellis tim.ellis@yrdsb.ca (905) 727-3141 x 2406 /(800) 268-1660 Manager of Finance
York CDSB	John Sabo john.sabo@ycdsb.ca (905) 713-1211 x 12300 Associate Director, Corporate Services and Treasurer of the Board	Jackie Porter jackie.porter@ycdsb.ca (905) 713-1211 x 12430 Senior Manager, Budget and Audit Services
RIAT Representative(s)	David Johnston dave.johnston@ycdsb.ca (905) 851-4595 x 221 C: 905-518-8022 TA RIAT Manager	
Recorder	Karen Errett karen.errett@ycdsb.ca (905) 713-1211 X 12301 Administrative Assistant to Associate Director/Treasurer	

Meetings:

The TA-RIA-CSC meetings will establish a set of regularly scheduled meetings targeted for the third Thursday or Friday on a monthly basis (in person or via teleconference). A list of approved dates will be sent out at the beginning of each year. Additional meeting may be added as required. Where a meeting is not required a cancellation notification will be sent.

Boards will be encouraged to include both their primary and designate member at every meeting. An agenda will be provided electronically in advance of the meeting.

Meetings will be structured in two sessions; the first part will enable the Regional Internal Audit Manager to be in attendance and participate. The second part of the meeting will be held with Committee members (Primary & Designate) only, excluding external staff.

Regular TA-RIA-CSC meetings will initially be scheduled the 3rd Thursday of every month commencing at 3:00pm. Special TA-RIA-CSC meetings will be called as necessary and in accordance with agreed upon protocols.

Committee Decisions:

Decisions of the TA-RIA-CSC will be based on consensus wherever possible and practical; however, where votes are required by those in attendance at regularly scheduled meetings, a majority of members in attendance (in person or via teleconference) will be used as a basis for decision making.

NOTE: Member boards will be assigned one vote per board.

Communications & Reporting:

All communications related to TA-RIA activities will be sent to both the Primary and Designate committee members unless otherwise directed.

The TA-RIA-CSC members will report to their respective Audit Committee and or Board based on established or agreed upon protocols of the TA-RIA-CSC.

Host Board Resource Personnel:

The lead administrative resource assigned to the TA-RIA-CSC will be:

- Primary: YCDSB Senior Manager of Budget and Audit Services
- Alternate: YCDSB Administrative Assistant to Associate Director

Host Board resource personnel will be responsible for coordinating and facilitating meetings of the TA-RIA-CSC and for managing the annual TA-RIA operating budget and for the provision of periodic financial and operating reports to the TA-RIA-CSC.

RIA Team Resource Personnel:

RIA Team resource personnel assigned to the TA-RIA-CSC will be as follows:

- Primary: TA-RIA Team Regional Audit Manager
- Other Resource: Other TA-RIA Team members, as required

RIA Team Resource Personnel will be responsible for providing periodic reports in the form and frequency as required and requested by the TA-RIA-CSC.