

## York Catholic District School Board

### MINUTES AUDIT COMMITTEE (Regular Session)

A Regular session of the Audit Committee was held virtually via Google Meet, on Tuesday, April 28, 2020, commencing at 4:03 p.m.

**PRESENT:**

Committee Members: R. Cantisano, C. Cotton, M. Iafrate  
Other Trustees: E. Crowe, M. Marchese, D. Mazzotta, J. Wigston  
External Committee Members: A. Rocha, B. Chu  
Administration: A. Falconi, A. Yeung, N. Di Nardo, A. Arcadi, T. D'Acunto, M Gray,  
N. Jugnundan, T. Pechkovsky, L. Sawicky, E. Pivato, J. Sarna,  
L. Giambattista, J. Tsai, C. Recine  
RIAT Team: P. Hatt, J. Selvadurai  
Other Guests:  
Absent with Notice:  
Recording: K. Errett  
Presiding: M. Iafrate, Committee Chair

**1. CALL TO ORDER AND PRAYER**

A. Yeung, Chief Financial Officer and Treasurer of the Board, called the meeting to order at 4:03 p.m. A. Yeung led the opening prayer and read the York Catholic District School Board Land Acknowledgement.

**2. ELECTION OF CHAIR**

Trustee M. Iafrate was acclaimed Audit Committee Chair for 2020 on nomination by Trustee Cotton.

**3. ELECTION OF VICE-CHAIR**

Trustee R. Cantisano was acclaimed Audit Committee Vice-Chair for 2020 on nomination by Trustee Iafrate.

**REGULAR MEETING:** Presiding, Trustee Iafrate, Committee Chair.

**4. APPROVAL OF THE TERMS OF REFERENCE FOR 2020**

The revised Committee Terms of Reference for 2020 were reviewed and approved as presented.

**Motion: Cantisano/Rocha**

**THAT** the 2020 Audit Committee Terms of Reference be approved as presented.

**– MOTION CARRIED –**

**5. APPROVAL OF NEW MATERIAL**

Nil

**6. APPROVAL OF THE AGENDA**

**Motion: Cotton/Cantisano**

**THAT** the Agenda be approved as presented.

**– MOTION CARRIED –**

**7. APPROVAL OF THE MINUTES**

**Motion: Cotton/Cantisano**

**THAT** the Minutes of the November 12, 2019 Audit Committee meeting be approved as presented.

**– MOTION CARRIED –**

**8. DECLARATION OF CONFLICT OF INTEREST**

Nil

**9. BUSINESS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING**

Nil

**10. NEXT MEETING DATE: June 2020**

**11. PRESENTATION ITEMS:**

**a) REGIONAL INTERNAL AUDIT SENIOR MANAGER (RIAM) UPDATE**

P. Hatt, Regional Internal Audit Senior Manager provided a status update the 2019-2020 audit activities. Three audits are now complete: Transportation, Three-Year Risk Assessment/Internal Audit Plan (presented on November 12, 2019) and School-Based Audits - Enrolment and School generated Funds (on the current Agenda for April 28, 2020). Regarding the two outstanding engagements, Procurement – Follow-Up Audit is currently in the fieldwork stage and Records Management (Privacy), an outsourced audit, is expected to have an RFP issued shortly.

P. Hatt highlighted that a new template is now being used as a way to standardize audits done by the Regional Internal Audit Teams (RIATs) across the province which was a recommendation by Deloitte in their review of RIAT governance model in 2019.

**12. ACTION ITEMS:**

Nil

**13. DISCUSSION/ INFORMATION ITEM(S):****a) SCHOOL AUDIT REPORT - REGIONAL INTERNAL AUDIT**

P. Hatt, Regional Internal Audit Senior Manager provided an overview and scope of the School-Based Audits – Enrolment & School Finance. For the Enrolment Audit, the audit assesses whether the reporting is in compliance with the Ministry requirements and on the accuracy of recorded enrolment for key reporting periods of October 31 and March 31 on key reporting requirements. For the School Finance audit, the focus was on compliance with Board policy and procedures in the area of School Generated Funds (SGF), P-cards and General School Budgets (GSB).

The audit findings for this report were consolidated for all schools; the majority of recommendations addressed the strengthening of policies and procedures and a need to increase desk audits.

P. Hatt thanked the school and board staff for their efforts in preparing for the audits in short notice and A. Yeung thanked P. Hatt and the RIAT team for working within the tight timelines and for the amount of coordination necessary to complete the audit.

It was requested by Trustee C. Cotton that a summary chart of the actions Administration has proposed to take which will include timelines and status of completion be provided for the next Audit Committee meeting.

A lengthy discussion was held in response to Trustee Cotton’s inquiry regarding training for new staff/re-training for existing school staff as normally provided at the beginning of the school year. It was suggested that the provision of school finance training sessions are being planned to be provided in the fall, to be offered to all school principals, vice-principals, school secretaries and secondary school bursars (training for new staff and “refresher training” for existing school staff). It is expected that training will ensure an understanding and knowledge of the SGF policy (Policy 803), P-card spending limits and procedures and Purchasing procedures for school administration/staff. Chair M. Marchese requested a more exact timing of the training so it was stated by A. Yeung that the delivery and timing of the training will be discussed and determined by the Director and Senior Team.

It was stated that Administration will address gaps where policy and procedures are not being followed. In response to a question from Chair Marchese regarding desk audits, P. Hatt explained that the desk audits will also provide an additional level of control to ensure schools are maintaining control through periodic testing on many procedures in addition to in-field testing. Chair Marchese noted that Finding #10 – Use of P-Cards, while Administration has stated that a new auditor position being created will be responsible for desk and field audits, the response is not included as part of the Management response. A. Yeung noted that the new auditor position being created will be including desk and field audits. P. Hatt clarified that the Management Response was agreement with the recommendations.

Trustee R. Cantisano requested clarification on the reimbursement limit and authorization required for a principal to make a payment to him/herself, referring to an instance noted in the report, and further, how frequently this practice is happening. P. Hatt responded that this is not a pervasive issue and has only been found in a couple instances, however, it is an

area that needs strengthening. Director A. Falconi further added that Administration is taking steps to remove that ability for a staff to be self-reimbursed as these requests should require approval from the staff's manager. A. Yeung added that the existing Spending Authority Schedule should be followed and training should address understanding and knowledge of the reimbursement process. Trustee Cantisano stressed the need for consequences outlined in the procedures when the Board's clearly-written policy is not followed, such as non-reimbursement for missing receipts.

Trustee Cantisano stated she was surprised by the Medium risk rating for audit observations around PCards and requested further explanations on the approval and reconciliation process. A. Yeung noted that the statement and supporting documents are approved by a staff's supervisor, e.g. for a principal the superintendent and for staff, the manager. Trustee M. Iafrate noted that copies of receipts can be obtained from vendors, so there are no excuses for missing receipts and PCard statement should be reconciled to receipts. A. Yeung stated agreement and added that there is a process for missing receipts which require follow up and explanations and he noted that more scrutiny and training would ensure everyone is understanding and following the process. The new in-house auditor will also address these issues through desk audits.

Trustee Cantisano directed a question to M. Gray, Superintendent of Human Resources, asking whether it is allowable for the Board to include a policy to not reimburse the employee when receipts are missing. It was stated that if this is part of the process and it is not being followed it is a breach in policy and any disciplinary action would be per the Policy. A. Yeung to verify the existing wording in policy and to strengthen it as required. Although there is follow up in these situations, further actions are required to address any gap.

Trustee Cantisano, referring to Finding #7 re: Purchasing Department's involvement in SGF spending, stated that management response was vague and asked whether principals decide and spend the money wherever they want and whether there are guidelines. A. Yeung stated that there is a procurement policy to be followed by schools and Catholic School councils. Chair Marchese stressed that BPS guideline must be followed by all levels of the Board including schools and school councils. Further Chair Marchese added that training for secretaries and school bursars should be added for future training.

It was requested, by Trustee D. Mazzotta, that a report be provide to a future meeting, to detail the number of PCards currently provided to teachers (elementary/secondary).

Committee Chair, M. Iafrate, thanked P. Hatt, Regional Internal Audit Senior Manager, for the work and value received through the audits which assist Trustees in ensuring the public tax dollars are being spent properly.

**FUTURE ITEM(S):**

Nil

**Adjournment: 5:05 P.M.**

**On Motion: Cotton/Cantisano and CARRIED**