



YORK CATHOLIC DISTRICT SCHOOL BOARD

Audit Committee Agenda

(Regular Session)

Tuesday, September 25, 2018

Immediately Following the Private Session

Trustee Lounge, Catholic Education Centre

(Conference call-in numbers: Dial-in number: 416-644-9541 / 1-877-250-4348; Passcode: **6272057** #)

PRAYER FOR A
SUCCESSFUL AUDIT
COMMITTEE
MEETING

- | | | <u>Page(s)</u> |
|----|---|----------------|
| 1. | Call to Order | Chair |
| 2. | Roll Call | Chair |
| 3. | Approval of Agenda | Chair |
| 4. | Approval of the Minutes of the Previous Meeting | Chair 1 |
| 5. | Declaration of Conflict of Interest | Chair |
| 6. | Business Arising from the Minutes of the Previous Meeting: A. Yeung | |
| 7. | Next Meeting Date: November 13, 2018 | |

Presentation Item(s):

Nil

Action Item(s):

- | | | | |
|----|---|----------|---|
| 8. | Joint-Board Election Audit Compliance Committee | A. Yeung | 3 |
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Discussion/Information Item(s):

Nil

Future Items:

- | | | |
|-----|-------------|--|
| 9. | Nil | |
| 10. | Adjournment | |

York Catholic District School Board

MINUTES AUDIT COMMITTEE (Regular Session)

A Regular session of the Audit Committee was held at the Catholic Education Centre, 320 Bloomington Road West, Aurora, Ontario, on Tuesday, June 19, 2018, commencing at 4:01 p.m.

PRESENT:

Committee Members: C. Cotton, M. Marchese, M. Mogado
Other Trustees: E. Crowe, D. Mazzotta
External Committee Members: A. Rocha
Administration: A. Falconi, F. Bagley, A. Yeung, J. Porter, L. Giambattista,
J. Selvadurai, B. Kennedy, J. McLoughlin, D. Clapham
RIAT Team: B. Lowe, Interim Regional Internal Audit Manager
B. Cross, Manager, Regional Internal Audit Team
Other Guests:
Absent with Notice: B. Chu
Recording: K. Errett
Presiding: M. Marchese, Committee Chair

1. CALL TO ORDER

A. Yeung, Chief Financial Officer and Treasurer of the Board, called the meeting to order at 4:01 p.m. A. Yeung introduced Bruce Lowe, Interim Regional Senior Internal Audit Manager who is on contract with PriceWaterhouseCooper LLP. B. Lowe has been assigned to assist the Board until August 2018 on a half-time basis. B. Lowe offers experience gained from assisting the SW Region RIAT. As well Brad Cross, Manager, Regional Internal Audit Team, was introduced to new Committee members.

2. ELECTION OF CHAIR

Trustee M. Mogado was acclaimed Audit Committee Chair for 2018 on nomination by Trustee Cotton.

3. ELECTION OF VICE-CHAIR

Trustee Cotton was acclaimed Audit Committee Vice-Chair for 2018 on nomination by Trustee Marchese.

REGULAR MEETING: Presiding, Trustee Mogado, Committee Chair.

4. APPROVAL OF THE TERMS OF REFERENCE FOR 2018

The revised Committee Terms of Reference for 2018 were reviewed and approved as presented.

Motion: Cotton/Mogado

THAT the 2018 Audit Committee Terms of Reference be approved as presented.

– MOTION CARRIED –

5. APPROVAL OF THE AGENDA**Motion: Marchese/Cotton**

THAT the Agenda be approved as presented.

– MOTION CARRIED –

6. APPROVAL OF THE MINUTES**Motion: Cotton/Marchese**

THAT the Minutes of the November 13, 2017 Audit Committee meeting be approved as presented.

– MOTION CARRIED –

7. DECLARATION OF CONFLICT OF INTEREST

Nil

8. BUSINESS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING

Nil

9. NEXT MEETING DATE: September 26 and November 13, 2018**10. PRESENTATION ITEMS:**

Nil

11. ACTION ITEMS:

Nil

12. DISCUSSION/ INFORMATION ITEM(S):**a) AUGUST 31, 2018 YEAR-END – PROPOSED SCHEDULE FOR ACTIVITIES AND MEETINGS**

L. Giambattista, Manager, Accounting, Payroll and Benefit Services, provided the proposed schedule for the August 31, 2018 Year-End Audit activities and meeting requirements. Although it is not expected that there will be any changes from the Ministry, the proposed dates are subject to change based on the external auditor's upcoming planning meeting. Fieldwork will begin on June 25th. There is a substantial amount of field work to be completed which will take until August 2018 and the Year-End audit work will commence in mid-October with presentation to the Audit Committee for approval scheduled on November 13, 2018.

It was agreed that a special Board Meeting will be convened following the November 13, 2018 Audit Committee meeting to approve the Financial Statements prior to submission to the Ministry.

b) MARCH 31, 2018 FINANCIAL REPORTING REQUIREMENTS

A. Yeung, Chief Information Officer, provided information pertaining to the Ministry of Education March 31, 2018 Financial Report requirements which was completed and submitted through EFIS and the auditor's Specified Procedures report.

FUTURE ITEM(S):

Nil

Adjournment: 4:15 P.M.

On Motion: Marchese/Cotton and CARRIED

Report

Memo To: Audit Committee
From: Administration
Date: September 25, 2018
Subject: Joint Board Election Compliance Audit Committee

Executive Summary

The purpose of this report is seek approval to proceed with the establishment, of a Joint Board Election Compliance Audit Committee along with approval for the appointment of members to the Committee.

Note: This proposal is being made in partnership and conjunction with the York Region DSB.

Background Information

In accordance with Section 88.37 (1) of the Municipal Elections Act (Appendix A), every municipality and district school board must appoint a Compliance Audit Committee before October 1 of an election year. The purpose of the committee is to consider and make decisions on applications made under Section 88.33 (1) of the Municipal Elections Act for compliance audits regarding 2018 candidate campaign finances.

The Compliance Audit Committee serves for the period commencing December 1, 2018 to November 30, 2022 on an as required basis only. Members cannot be trustees or candidates, staff members or registered third parties. (Note: The terms for the Compliance Audit Committee that was established in the 2014 Municipal Election covers the period from December 1, 2014 to November 30, 2018).

Rationale

In order to ensure effective representation and keep costs and staff resources to a minimum, many school boards in the province have partnered with municipalities or coterminous boards to appoint members to their Election Compliance Audit Committee. Staff is recommending that a partnership be developed with the York Region District School Board, using the two external community members who have already been appointed to each board's existing Audit Committee.

Three members from the existing group of four external community members would consider each singular request (if received) for an audit of a trustee candidate's campaign expenses. This would be comprised of one external community member from the Audit Committee of the board that is requesting the audit and two external community members from the coterminous board's Audit Committee.

The Proposed terms of reference for the Joint Board Election Compliance Audit Committee are outlined in Appendix B.

Estimated Cost

In accordance with the legislation, each Board is required to pay all costs associated with the committee's operation and activities.

Costs for each Board would be incurred depending on the number of compliance audits that are requested and granted during the four-year period. The per diem rate per member will be \$350, plus mileage. Mileage will be calculated in accordance with the appropriate Board's approved travel policies. The Board from which the request(s) originates will assume the \$350 per diem rate, plus mileage, for each of the three members participating in each request.

In the 2014-2018 term, only one application for a compliance audit was received.

Both current and additional costs can be accommodated within existing budget allocations.

Timeline

The legislation requests that committees be appointed by October 1, 2018. However, the Compliance Audit Committee does not begin its term until December 1, 2018.

Recommendation:

- 1. That the York Catholic District School Board in partnership with the York Region District School Board approve the establishment of a Joint Board Election Compliance Audit Committee, based on the terms of reference as outlined in Appendix B.**
- 2. That the York Catholic District School Board partner with the York Region District School Board to appoint the following external community representatives from the respective Boards' Audit Committees to the Joint Board Election Compliance Audit Committee for the remainder of their term of office, beginning December 1, 2018 and ending no later than November 30, 2022.**
 - York Catholic District School Board – Benjamin Chu and Annabelle Rocha**
 - York Region District School Board – Kelly Ohayon and Chris Mak**
- 3. That the York Catholic District School Board automatically appoint any replacement external members of the Board's Audit Committee appointed during the period December 1, 2018 to November 30, 2022 to the Board's Election Compliance Audit Committee.**

Prepared and Submitted by: A. Yeung, Chief Financial Officer and Treasurer of the Board

Appendix A

Excerpt from Municipal Elections Act, 1996

Compliance Audits and Reviews of Contributions

Application by elector

88.33 (1) An elector who is entitled to vote in an election and believes on reasonable grounds that a candidate has contravened a provision of this Act relating to election campaign finances may apply for a compliance audit of the candidate's election campaign finances, even if the candidate has not filed a financial statement under section 88.25. 2016, c. 15, s. 63.

Requirements

(2) An application for a compliance audit shall be made to the clerk of the municipality or the secretary of the local board for which the candidate was nominated for office, and it shall be in writing and shall set out the reasons for the elector's belief. 2016, c. 15, s. 63.

Deadline for applications

(3) The application must be made within 90 days after the latest of the following dates:

1. The filing date under section 88.30.
2. The date the candidate filed a financial statement, if the statement was filed within 30 days after the applicable filing date under section 88.30.
3. The candidate's supplementary filing date, if any, under section 88.30.
4. The date on which the candidate's extension, if any, under subsection 88.23 (6) expires. 2016, c. 15, s. 63.

Compliance audit committee

(4) Within 10 days after receiving the application, the clerk of the municipality or the secretary of the local board, as the case may be, shall forward the application to the compliance audit committee. 2016, c. 15, s. 63.

Notice of meetings

(5) Reasonable notice of the meetings of the committee under this section shall be given to the candidate, the applicant and the public. 2017, c. 20, Sched. 10, s. 1.

Open meetings

(5.1) The meetings of the committee under this section shall be open to the public, but the committee may deliberate in private. 2017, c. 20, Sched. 10, s. 1.

Same

(6) Subsection (5.1) applies despite sections 207 and 208.1 of the Education Act. 2017, c. 20, Sched. 10, s. 1.

Decision of committee

(7) Within 30 days after the committee has received the application, the committee shall consider the application and decide whether it should be granted or rejected. 2016, c. 15, s. 63.

Same

(8) The decision of the committee to grant or reject the application, and brief written reasons for the decision, shall be given to the candidate, the clerk with whom the candidate filed his or her nomination, the secretary of the local board, if applicable, and the applicant. 2016, c. 15, s. 63.

Appeal

(9) The decision of the committee under subsection (7) may be appealed to the Superior Court of Justice within 15 days after the decision is made, and the court may make any decision the committee could have made. 2016, c. 15, s. 63.

Appointment of auditor

(10) If the committee decides under subsection (7) to grant the application, it shall appoint an auditor to conduct a compliance audit of the candidate's election campaign finances. 2016, c. 15, s. 63.

Same

(11) Only auditors licensed under the Public Accounting Act, 2004 or prescribed persons are eligible to be appointed under subsection (10). 2016, c. 15, s. 63.

Duty of auditor

(12) The auditor shall promptly conduct an audit of the candidate's election campaign finances to determine whether he or she has complied with the provisions of this Act relating to election campaign finances and shall prepare a report outlining any apparent contravention by the candidate. 2016, c. 15, s. 63.

Who receives report

(13) The auditor shall submit the report to the candidate, the clerk with whom the candidate filed his or her nomination, the secretary of the local board, if applicable, and the applicant. 2016, c. 15, s. 63.

Report to be forwarded to committee

(14) Within 10 days after receiving the report, the clerk of the municipality or the secretary of the local board shall forward the report to the compliance audit committee. 2016, c. 15, s. 63.

Powers of auditor

(15) For the purpose of the audit, the auditor,
 (a) is entitled to have access, at all reasonable hours, to all relevant books, papers, documents or things of the candidate and of the municipality or local board; and
 (b) has the powers set out in section 33 of the Public Inquiries Act, 2009 and section 33 applies to the audit. 2016, c. 15, s. 63.

Costs

(16) The municipality or local board shall pay the auditor's costs of performing the audit. 2016, c. 15, s. 63.

Immunity

(19) No action or other proceeding for damages shall be instituted against an auditor appointed under subsection (10) for any act done in good faith in the execution or intended execution of the audit or for any alleged neglect or default in its execution in good faith. 2016, c. 15, s. 63.

Saving provision

(20) This section does not prevent a person from laying a charge or taking any other legal action, at any time, with respect to an alleged contravention of a provision of this Act relating to election campaign finances. 2016, c. 15, s. 63.

Compliance audit committee

88.37 (1) A council or local board shall establish a compliance audit committee before October 1 of an election year for the purposes of this Act. 2016, c. 15, s. 66.

Composition

(2) The committee shall be composed of not fewer than three and not more than seven members and shall not include,

- (a) employees or officers of the municipality or local board;
- (b) members of the council or local board;
- (c) any persons who are candidates in the election for which the committee is established; or
- (d) any persons who are registered third parties in the municipality in the election for which the committee is established. 2016, c. 15, s. 66.

Term of office

(5) The term of office of the committee is the same as the term of office of the council or local board that takes office following the next regular election, and the term of office of the members of the committee is the same as the term of the committee to which they have been appointed. 2016, c. 15, s. 66.

Role of clerk or secretary

(6) The clerk of the municipality or the secretary of the local board, as the case may be, shall establish administrative practices and procedures for the committee and shall carry out any other duties required under this Act to implement the committee's decisions. 2016, c. 15, s. 66.

Costs

(7) The council or local board, as the case may be, shall pay all costs in relation to the committee's operation and activities. 2016, c. 15, s. 66.

Appendix B

TERMS OF REFERENCE York Catholic District School Board and York Region District School Board Joint Board Election Compliance Audit Committee

The Joint Board Election Compliance Audit Committee is a mechanism that allows both York Region School Boards, in an expedient and cost-efficient manner, to adhere to the requirements set out in the Municipal Elections Act, 1996, as amended.

Mandate

The mandate of the Committee is set out in Section 88 of the Municipal Elections Act, 1996, as amended (Appendix A).

1. Within 30 days of receipt of an application requesting a compliance audit, the Committee shall consider the compliance audit application and decide whether it should be granted or rejected.
2. If the application is granted, the Committee shall appoint an auditor to conduct a compliance audit of the candidate's election campaign finances.
3. The Committee will review the auditor's report within 10 days of receipt and decide whether legal proceedings should be commenced.
4. If the auditor's report indicates that there were no apparent contraventions and if there appears there were no reasonable grounds for the application, the committee shall advise the local Board accordingly.

School board trustees or candidates, staff members or registered third parties are not eligible to be appointed to the Committee. Should an appointed member accept employment with either local school board, cease to be a member of the board's Audit Committee, or register as a candidate with either school board, their appointment will be terminated.

All committee members must agree in writing that they will not work for, or provide advice to, any candidate running for the office of school trustee. To avoid any potential conflict of interest, applicants with accounting or auditing backgrounds must agree in writing that they will not offer their services to any municipal election candidates.

Anyone who has participated as a candidate or who has conducted audits or provided financial advice in respect of such campaigns, would be disqualified from participation on the Committee.

Composition

The Committee shall be comprised of the four external community representatives who comprise the respective boards' Audit Committees.

Three members from the Committee will consider each request (if received) for an audit of a trustee candidate's campaign finances. This would be comprised of one external community member from the Audit Committee of the board that is requesting the audit and two external community members from the coterminous board's Audit Committee.

Term

The term of the Committee is the same as the term of the school board trustees (four-year term). Because the Board's Audit Committee members are elected every two years, they will be automatically appointed to the Board's Election Compliance Audit Committee when they commence their term with the Audit Committee.

Chair

The three-member committee called to hear a request for compliance audit shall select one of its members to act as a Chair at the first meeting, as required.

Proposed Meeting Schedule

The Committee shall meet as needed, when a compliance audit application is received, with meetings to be scheduled by the Director of Education/Corporate Secretariat and Trustee Services, in consultation with the Chief Financial Officer and Committee members.

Staff Support

Corporate Secretariat and Trustee Services staff shall provide administrative support to the Committee.

Remuneration

\$350 – Per Diem rate for participating members (to be paid by the board from which application is received will cover these costs)

Mileage – will be paid for by the board from which the application is received for all members, in accordance with the Board's approved Travel policy.

Reimbursements of Costs

- Each board is responsible for paying the auditor's costs of performing an audit respective to their own board.
- Each board is responsible for paying all costs in relation to the committee's operation and activities related to their respective board.