

York Catholic District School Board

Memo To: Audit Committee Members
cc: Other Trustees

From: Marlene Mogado, Chair of the Audit Committee
Anna Chan, CFO & Treasurer of the Board

Date: September 22, 2017

Re: Audit Committee Meeting September 27, 2017

The September 27, 2017 Audit Committee meeting is scheduled as follows:

Wednesday, September 27, 2017
Room 102
Catholic Education Centre
3:00 p.m. – 5:00 p.m.
(light refreshments will be served)

The meeting will commence with the Regular session and will be followed by an In Camera session.

The Regular agenda includes three Discussion/Information Items. The In Camera Session agenda consists of two Presentation Items, four Discussion/Information Items (one of which is a two-part item) and Supplementary Discussions to be held with the Regional Internal Auditor (excluding Administration) and then with Administration (excluding the Regional Internal Auditor and External 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 Anna Chan 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)

Wednesday, September 27, 2017

3:00 –5:00 p.m.

Room 102, Catholic Education Centre

REVISED



PRAYER FOR A
SUCCESSFUL AUDIT
COMMITTEE
MEETING

*Creator God,
As we journey through this
world,
give us the grace to allow your
Holy Spirit to work through us.
Help us to speak, think, and
work with honesty and
compassion,
To celebrate all that is life-
giving, to restore hope where it
has been lost,
And to bring about change
where it is needed.
We ask this in the name of
Jesus Christ,
Our companion.*

Amen

			<u>Page(s)</u>
1.	Call to Order and Prayer	M. Mogado	
2.	Roll Call	M. Mogado	
3.	Approval of Agenda	M. Mogado	
4.	Approval of the Minutes of the Previous Meeting	M. Mogado	1
5.	Declaration of Conflict of Interest		
6.	Business Arising from the Minutes of the Previous Meeting: Nil		
7.	Next Meeting Date: November 7, 2017		
	<u>Presentation Item(s):</u>		
	Nil		
	<u>Action Item(s):</u>		
	Nil		
	<u>Discussion/Information Item(s):</u>		
8.	External Auditor 2017-18 Request for Proposal Notification	L. Giambattista	5
9.	Ministry of Education Memo 2017: SB26 Re: "2016-17 Audit Committee Annual Report to the Ministry"	J. Porter	6
	<u>Future Items:</u>		
	Nil		
10.	Adjournment		

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 Tuesday, June 8, 2017, commencing at 3:30 p.m.

PRESENT:

Committee Members: C. Cotton, M. Marchese, M. Mogado
Other Trustees:
External Committee Members: A. Rocha, B. Chu
Administration: A. Chan, F. Bagley, L. Giambattista, J. Porter, B. Kennedy,
J. Selvadurai
RIAT Team: D. Johnston, Regional Internal Audit Manager
Other Guests: G. Bolton OECTA Representative
Absent with Notice:
Recording: K. Errett
Presiding: M. Mogado, Committee Chair

1. CALL TO ORDER

Anna Chan, Chief Financial Officer and Treasurer of the Board, called the meeting to order at 3:37 p.m.

2. ELECTION OF CHAIR

Trustee M. Mogado was acclaimed Audit Committee Chair for 2017 on nomination by Trustee Cotton and seconded by Trustee Marchese.

3. ELECTION OF VICE-CHAIR

Trustee Marchese was acclaimed Audit Committee Vice-Chair for 2017 on nomination by Trustee Mogado and seconded by Trustee Cotton.

REGULAR MEETING: Presiding, Trustee Mogado, Committee Chair.

4. APPROVAL OF THE TERMS OF REFERENCE FOR 2017

A newly formatted Terms of Reference was provided to the Committee as a handout. The revised format follows a prescribed layout consistent with the Terms of Reference for all Committees of the Board. The revised Committee Terms of Reference for 2017 were reviewed and approved as presented.

Motion: Cotton/Marchese

THAT the 2017 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 8, 2016 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 27, 2017**10. PRESENTATION ITEMS:**

Nil

11. ACTION ITEMS:

Nil

12. DISCUSSION/ INFORMATION ITEM(S):**a) INTRODUCTION OF EXTERNAL AUDIT COMMITTEE MEMBERS**

A. Chan, Chief Financial Officer and Treasurer of the Board, introduced and welcomed the recently selected External Audit Committee members for the 2017-2020 term, Annabelle Rocha, MBA CPA CMA and Ben Chu, CPA, CA. Committee members identified themselves by name and role.

Trustee Mogado invited the new External Audit Committee members to contact A. Chan, Chief Financial Officer and Treasurer of the Board or J. Porter, Coordinating Manager, Budget and Audit Services, to discuss any Audit Committee matters and reminded them to copy the other Committee members on discussionary emails.

b) REGIONAL INTERNAL AUDIT MANDATE

D. Johnston, Regional Internal Audit Manager, presented the “*Regional Internal Audit (RIA) Mandate – York Catholic District School Board*”. While the written Mandate speaks to the purpose and definition of all eight Regional Internal Audit Teams, and addresses their role, professionalism, authority, organization, independence and objectivity, responsibility, internal audit plan, reporting and monitoring, and quality assurance, as well as provides a definition of selected terms, D. Johnston explained the GTA RIAT’s shared services model and affiliation with the host board.

Trustee Cotton directed that the RIAT performance review, as outlined in the “*Regional Internal Audit Mandate – York Catholic District School Board*”, be added as an agenda item for a future Audit Committee meeting.

c) MINISTRY MEMO 2016: SB05 – TRUSTEE TRAINING MODULE ON INTERNAL AUDIT AND THE ROLE OF THE AUDIT COMMITTEE

A. Chan, Chief Financial Officer and Treasurer of the Board, provided information for Trustees and the External Audit Committee members regarding the Ministry of Education’s on-line training module on “*Internal Audit and the Role of Audit Committees*” as part of the “Good Governance for School Boards: Trustee Professional Development Program”. While the information was provided by the Ministry on March 1, 2016, the information provided makes for a good refresher and introductory information for the two new External Audit Committee Members.

d) TORONTO AREA REGIONAL INTERNAL AUDIT COORDINATING AND STEERING COMMITTEE (TA-RIA-CSC) UPDATE

J. Porter, Coordinating Manager of Budgets and Audit Services, provided an update on the Host Board role and on-going activity. It was reported that meetings and information sharing continues with other Toronto and area boards. Further, a brief description was provided for the Host Board funding.

e) FINANCIAL UPDATE 2016-2017 TO 2017-2018

A. Chan, Chief Financial Officer and Treasurer of the Board, provided the Audit Committee with an overview of the Board’s financial position for 2016-2017 and for the 2017-2018 Financial Estimates in order to give the Committee an update on the financial situation and recent activities related to budget preparation. The Board must submit a Multi-Year Financial Recovery Plan (MYFRP) which provides a strategy to achieve cost reductions to address the current deficit and to enable filing a compliant budget. The MYRFP is due to be submitted to the Ministry on June 30, 2017.

A. Chan noted that YCDSB is ranked as a high-risk Board resulting from the Operating deficit. As such, the Ministry is monitoring the Board while at the same time providing the assistance required to succeed. In addition, additional GSN funding received this year assisted to lower the deficit amount.

The transition from growth board to declining enrolment board will be a long-term reality that will require a shift in culture, focus and strategies to move toward and maintain financial health.

f) MARCH 31, 2017 FINANCIAL REPORT

L. Giambattista, Manager, Accounting, Payroll and Benefit Services, provided a review of the financial reporting processes i.e. requests/requirements to for the 2017 March Report which is used to consolidate broader public sector organizations’ financial statements into the province’s audited financial statement. It was noted that all reports were submitted in May 2017 except for one due on June 15, 2017.

g) 2016-2017 YEAR-END PROPOSED SCHEDULE

L. Giambattista, Manager, Accounting, Payroll and Benefit Services, provided the proposed schedule for the August 31, 2017 Year-End Audit activities and meeting requirements. The proposed dates are subject to changes based on the Grant Thornton planning meeting to be held in late spring, 2017. It was noted that there is a substantial amount of field work to be completed between June and August 2017 and that reporting on the Year-End will commence in mid-October and be presented to the Audit Committee for approval on November 7, 2017.

h) ANNUAL AUDIT COMMITTEE REPORT TO THE MINISTRY OF EDUCATION

Further to direction received at the November 8, 2016 Audit Committee meeting, a signed copy of the Annual Audit Committee Report to the Ministry of Education was provided.

FUTURE ITEM(S):

Nil

Adjournment: 4:13 P.M.

On Motion: Marchese/Cotton and CARRIED

York Catholic District School Board

Report

Report To: Audit Committee
From: Administration
Date: September 27, 2017
Subject: Request for Proposal for External Auditor Services

Executive Summary:

At the Audit Committee on September 28, 2016, it was reported that Grant Thornton LLP was reappointed as the External Auditor for 2016-17 financial periods as required under O.Reg. 361/10 9(4)(1). This was the last option year under this contract.

With the expiration of current term of Grant Thornton LLP's External Audit Services engagement, Administration will issue a Request for Proposal for External Audit Services directly following the finalization of the 2016-2017 Year-End process. An update will be provided at a future Audit Committee meeting.

Prepared by: Karen Errett, Administrative Assistant, Financial Services
Submitted by: Lucie Giambattista, Manager, Accounting, Payroll and Benefit Services
Endorsed by: Anna Chan, CFO and Treasurer of the Board

York Catholic District School Board

Report

Report To: Audit Committee
From: Administration
Date: September 27, 2017
Subject: **Annual Audit Committee Report to the Ministry of Education**

Executive Summary:

As outlined in Regulation 361/10, the Ministry of Education requires school boards to submit an annual report which outlines the work performed by the regional internal auditors for the prior year (i.e. 2016-17) and the planned enrolment audits for the upcoming year (2017-18). These reports provide the Ministry on the use of the internal audit funding allocation and provides for better coordination of enrolment audits performed by the Ministry of Education and the regional internal auditors.

Per the Ministry in Memorandum 2017:SB26 “*2016-17 Audit Committee Annual Report to the Ministry*” (attached as Appendix A), the report is required to be signed by the Audit Committee Chair, presented to the Board of Trustees no later than November 30, 2017 and submitted to the Ministry by January 15, 2018. Also included (as Appendices B and C) is the extract from the Ministry of Education document entitled “*Guideline on Audit Committee Reporting*” available on the Ministry website (<https://sbsb.edu.gov.on.ca/VDIR1/Internal%20Audit/AuditCommittee.aspx?Link=InternalAudit>) as well as a sample report from the Board’s prior year’s submission.

Administration intends to provide the report at the November 7, 2017 Audit Committee meeting.

Prepared by: Karen Errett, Administrative Assistant, Financial Services
Endorsed by: Anna Chan, CFO and Treasurer of the Board

Appendix C - Sample Ministry Report

Annual Report to the Board of Trustees and Forwarded To the Ministry of Education For the year ended August 31, 20XX

District School Board Name: xxx

Fiscal Year: 20XX/XX

Re: Annual audit committee report to the Ministry of Education as per Ontario Regulation 361/10

(Where no internal audits were started or completed by August 31, XX)

The regional internal audit team did not undertake any internal audits or other engagements during the 20XX/XX fiscal year. However, the team worked on the (update/completion) of the risk assessment (*if applicable*). The status of the risk assessment as of August 31, 20XX is xxx.

OR

(Where internal audits were started and/or completed by August 31, 20XX)

During the 20XX/XX fiscal year, the following internal audits or other engagements were started by the regional internal audit team but not completed by August 31st:

- Internal audit # 1 (Status of audit at August 31st: Planning / Fieldwork / Report drafted / Complete pending presentation to Audit Committee)
 - o (*Where the audit covers multiple processes, please list processes*)
- Internal audit # 2 (Status of audit at August 31st: Planning / Fieldwork / Report drafted / Complete pending presentation to Audit Committee)
 - o (*Where the audit covers multiple processes, please list processes*)

In addition to those listed above, the following audits were completed in the 20XX/XX fiscal year:

- Internal audit # 1
 - o (*Where the audit covers multiple processes, please list processes*)
-

AND

Based on the internal audit plan, we are expecting enrolment audits to be performed in the 20XX/XX fiscal year.

OR

V5, June 6, 2017

Based on the internal audit plan, we are not expecting any enrolment audits to be performed.

_____	_____	<u>Audit Committee Chair</u>
Date	Signature	Title

**Annual Report to the Board of Trustees and Forwarded
To the Ministry of Education
For the year ended August 31, 2016**

November 5, 2016

Fiscal Year: 2015/16

**Re: Annual Audit Committee report to the Ministry of Education as per
Ontario Regulation 361/10**

During the 2015/16 fiscal year, the following audit(s) were completed and presented to the Audit Committee.

Audit Type	Date	Completed	Presented
Payroll/Human Resource	January 2016	June 2016	September 2016
Information Systems-Asset Management	June 2016	October 2016	November 2016

Further, YCDSB Manager's comments for the following audits were discussed to ensure timelines are being met.

- Repairs and Maintenance Audit
- Broader Public Sector Procurement Compliance Review
- Construction
- Information Technology
- Special Education

Based on the Multi-Year Internal Audit Plan, YCDSB is not expecting any Enrolment Audits to be performed in the 2016/17 fiscal year.

Dec 14/16
Date


Signature
Carol Cotton, Audit Committee Chair