

York Catholic District School Board

Memo To: Audit Committee Members
cc: Other Trustees

From: Carol Cotton, Chair of the Audit Committee
Anna Chan, CFO & Treasurer of the Board

Date: September 23, 2016

Re: Audit Committee Meeting September 28, 2016

The Audit Committee meeting is scheduled as follows:

Wednesday, September 28, 2016
Trustee Lounge
Catholic Education Centre
3:00 p.m. – 5:00 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 three Discussion/Information Items.

The In Camera Session agenda consists of one Presentation Item, one Action Items, four Discussion/Information Items (one of which is a five-part item and 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)
Tuesday, September 28, 2016
3:00 – 5:00 p.m.
Room 100, Catholic Education Centre

Page(s)

- | | | |
|---|-----------|---|
| 1. Call to Order and Prayer | C. Cotton | |
| 2. Roll Call | C. Cotton | |
| 3. Approval of Agenda | C. Cotton | |
| 4. Approval of the Minutes of the Previous Meeting | C. Cotton | 1 |
| 5. Declaration of Conflict of Interest | | |
| 6. Business Arising from the Minutes of the Previous Meeting: Nil | | |
| 7. Next Meeting Date: TBD | | |

Presentation Item(s):

Nil

Action Item(s):

Nil

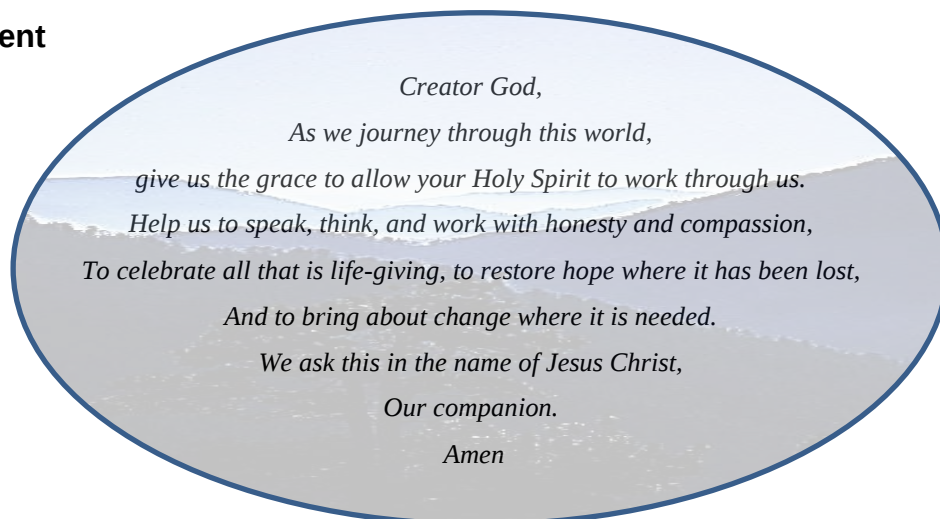
Discussion/Information Item(s):

- | | | |
|---|-----------|---|
| 8. Toronto Area Regional Internal Audit Coordinating & Steering Committee (TA-RIA-CSC) Update | J. Porter | 5 |
| 9. Term of External Audit Committee Members | A. Chan | 6 |
| 10. YCDSB Leading Practices Repository Submissions | J. Porter | 8 |

Future Items:

Nil

1. 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, April 19, 2016, commencing at 2:00 p.m.

PRESENT:

Committee Members: C. Cotton, M. Mogado, M. Marchese

Other Trustees:

External Committee Members: P. Laframboise, M. Tedesco

Administration: J. Sabo, J. Porter, A. Chan, L. Giambattista, C. Logel, B. Kennedy,
J. Selvadurai, F. Bagley

RIAT Team: D. Johnston, Regional Internal Audit Manager

Other Guests:

Absent with Notice:

Recording: K. Errett

Presiding: C. Cotton, Committee Chair

1. CALL TO ORDER

John Sabo, Associate Director, Corporate Services and Treasurer of the Board, called the meeting to order at 2:20 p.m.

2. ELECTION OF CHAIR

Trustee C. Cotton was acclaimed Audit Committee Chair for 2016 on nomination by Trustee Marchese and seconded by Trustee Mogado.

3. ELECTION OF VICE-CHAIR

Trustee Marchese was acclaimed Audit Committee Vice-Chair for 2016 on nomination by Trustee Cotton and seconded by Trustee Mogado.

4. APPROVAL OF THE TERMS OF REFERENCE FOR 2016

The Committee Terms of Reference for 2016 were reviewed and approved as presented.

Motion: Marchese/Laframboise

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

– MOTION CARRIED –

5. APPROVAL OF THE AGENDA

Motion: Mogado/Laframboise

THAT the Agenda be approved as presented.

– MOTION CARRIED –

6. APPROVAL OF THE MINUTES**Motion: Mogado/Laframboise**

THAT the Minutes of the November 9, 2015 Audit Committee meeting be approved as presented with changes to items 8a) and 8b) to reflect motion seconders as Mogado and Laframboise respectively.

– MOTION CARRIED –

7. DECLARATION OF CONFLICT OF INTEREST

Nil

8. BUSINESS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING

Nil

9. NEXT MEETING DATE: Fall 2016**10. PRESENTATION ITEMS:**

Nil

11. ACTION ITEMS:

Nil

12. DISCUSSION/ INFORMATION ITEM(S):**a) TORONTO AREA REGIONAL INTERNAL AUDIT COORDINATING & STEERING COMMITTEE (TA-RIA-CAC) UPDATE**

J. Sabo, Associate Director, Corporate Services and Treasurer of the Board, referred to the update report noting that J. Porter, Coordinating Manager of Budget and Audit Services has been acting as the lead for the Board as the host board for the initiative. This provincially coordinated initiative overseen by CODE (D. Duszczyszyn, Provincial Coordinator) continues to use the TA-RIA-CSC as a role model for other RIATs in the Province and further to seek efficiencies in delivering the initiative. J. Sabo attributes the success of the TA-RIA-CSC to regular communication through monthly meetings with detailed discussions and minutes, consistent representation from all six boards and efforts to meet on special items.

b) PROVINCIAL REPORT RE OPEN VS. CLOSED AUDIT COMMITTEE MEETINGS

The Deloitte “*Open vs. Closed Sessions of Audit Committee Meetings*” which was received by COSBO (Council of Senior Business Officials) was included in the agenda for discussion and information purposes. It was expected that a more formal directive would have been received from the Ministry, however, it is understood that it will be left as a guideline for school board governance.

J. Sabo, Associate Director, Corporate Services and Treasurer of the Board, noted that the guidelines dictate that visiting trustees will not be able to vote or attend in camera meetings. Through discussions with other boards, it is known that other boards are applying the guidelines to all committees. A Trustee workshop may be held to assist to explain the concepts and terminology.

F. Bagley, Coordinating Superintendent, noted that the six recommendations included in the report will assist to facilitate discussion at upcoming Policy Committee meetings (May 24, 2016 initially) for incorporation into the revised Policy.

c) TRUSTEE TRAINING MODULE ON INTERNAL AUDIT AND THE ROLE OF THE AUDIT COMMITTEE

J. Sabo, Associate Director, Corporate Services and Treasurer of the Board, informed the Committee that Ministry Memo 2016: SB05 – Trustee Training Module on Internal Audit and the Role of Audit Committees, is a part of the Good Governance for School Boards: Trustee Professional Development Program. A link was provided to access the slides and video testimonials (along with many other educational modules) through the Ontario Education Services Corporation (OESC) website. It was highlighted that the Senior Business Official testimonial on the video was provided by John Sabo, Associate Director, Corporate Services and Treasurer of the Board.

Trustee Cotton commented that there is a desire for valuable training and suggested that the information may be included as part of the January 2017 OCSTA conference agenda.

d) MARCH 31, 2016 FINANCIAL REPORT

A. Chan, Senior Manager of Business Services and Assistant Treasurer provided information regarding the March 31, 2016 Financial Report regarding processes and requirements, as mandated by the Ministry of Education (ref *2016 SB11 March 31, 2016 Financial Reporting Requirements*). The March Financial Report focuses on the September 1, 2015 to March 31, 2016 capital activity and as a “soft year-end”, forms part of the consolidation of the Province.

It was noted that there is a specified audit procedure to report annually on the Board’s benefits template which defines the Board’s outstanding payments. There will be a change to the way benefits will be paid (trend-based per board group and bargaining group. The benefits will be taken out of the “board portion”. A transition is expected to occur midway through the next fiscal year (February 2017) which means that there will still be costs related to 2016-2017. Trustee Cotton noted that there is a great increase to Ministry-required reporting and workload which is not supported by any increase to funding. J. Sabo noted that there is more and more requirement for data and that this is another example of how the BI project will be helpful.

e) 2015-2016 YEAR-END PROPOSED SCHEDULE

A. Chan, Coordinating Manager of Business Services and Assistant Treasurer provided the proposed schedule for the August 31, 2016 year-end audit. A planning meeting will be held with Grant Thornton LLP, External Auditors very shortly to plan the specifics of the engagement. L. Giambattista, Manager of Accounting, Payroll and Benefits will act as key liaison.

f) HEALTHY SCHOOLS STRATEGY PROVINCIAL AUDIT

J. Porter, Coordinating Manager of Budget and Audit Services updated the Committee that YCDSB was audited by the Auditor General of Ontario in 2012-2013 and as such the Board has been requested to attend the Legislative Assembly of Ontario on May 4, 2016 to respond formally to inquiries by the Committee on Public Accounts.

Trustee Cotton commented that there was no consistent funding for the Healthy Schools Strategy and that as a result the Strategy was not implemented consistently.

g) TERM OF EXTERNAL AUDIT COMMITTEE MEMBERS

J. Sabo, Associate Director, Corporate Services and Treasurer of the Board, updated that the current term of service for the two External Audit Committee Members will be ending in April 2017 and that a posting and advertisement for their replacements will be required. It was noted that this item will be included on the Agenda for the first meeting in the fall.

FUTURE ITEM(S): Nil

Adjournment: 2:33 P.M.

On Motion: Mogado/Marchese and **CARRIED**

Report

Memo To: Audit Committee

From: Administration

Date: September 23, 2016

Subject: Toronto and Area, Regional Internal Audit Coordinating & Steering Committee (TA RIA CSC)

Executive Summary:

This report provides an update to the Audit Committee on the Host Board role and on-going activity. The Coordinating Manager, Budget and Audit Services continues to work closely with other Toronto and Area Boards, the Regional Internal Audit Manager (RIAM) and the rest of the Regional Internal Audit Team (RIAT).

Overview:

The Toronto Area Regional Internal Audit Coordinating & Steering Committee (TA RIA CSC) meets monthly. As the Host Board, the responsibility of agenda preparation, meeting follow up and minute preparation fall under tasks that are completed in a timely manner for the meetings. Meeting topics include:

- Annual review of the Term of Reference and the Attendance
- RIAT Professional Development Activities
- RIA Leading Practice Repository Committee and Implementation of the Initiative
- Discussion of Leading Practices in the Industry
- Communication Strategies for Reporting to Audit Committee
- RIAT Budget Allocation
- RIAT Regional Meeting Updates
- Audit Activity Overview – RIAT and External performed audits overseen by RIAM
- Discussion involving Risk Assessment and the Risk Universe Update
- Monthly Updates From Activities from other RAITs
- Operationalizing Ethics and Compliance/Whistleblowing through Policy, Procedure development
- Audit Committee Meetings – Topics discussed at Board Audit Committees
- Ministry B & SB memos regarding Audit Committees and relevant RIA topics.
- Future Audit Committee Training
- Efficiency and Effectiveness Funding for Enterprise Risk Management Project

Host Board Funding:

From the Grant for Student Needs – Regional Internal Audit Funding, the Host Board is allocated 10% for Administration expenses attributed to but not directly incurred by the RIAT. The allocation offsets cost associated with being the Host Board. This claim for administrative expenditures started only in 2013/14. Administrative costs include Human Resource time, Information Systems support, Management's time for overseeing the initiative, Purchasing involvement, secretarial time.

Summary:

York Catholic District School Board has taken on the role of Host Board for the Toronto and Area Boards. The initiative will be starting its fourth year of operations. The establishment of the monthly meetings keeps communication open and everyone informed. It is felt that under the leadership of the RIAM and with a full team, the audit scheduled goals will be achieved.

Report

Memo To: Audit Committee
From: Administration
Date: September 21, 2016
Subject: External Member Reappointment

Executive Summary

The purpose of this report is to facilitate discussion, further to discussions held at the April 19, 2016 Audit Committee meeting, 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:

Information was provided at the April 19, 2016 Audit Committee meeting to address the issue of Audit Committee external member reappointment. It was noted in the April 13, 2016 report that, 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.

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:

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Report

Memo To: Audit Committee
From: Administration
Date: September 21, 2016
Subject: Update on the Internal Audit Leading Practices Repository

Executive Summary:

The purpose of this report is to inform Trustees of the status of the Internal Audit Leading Practice Repository which will be used as a vehicle for sharing internal audit leading practices derived from the standard audit universe.

Background Information:

In 2015 the Ministry of Education called for volunteers to participate on the Leading Practices Repository Committee. In response, J. Porter, Coordinating Manager of Budget and Audit Services has been involved on the Committee as well as D. Johnston, Regional Internal Audit Manager.

A recent Ministry of Education announcement (Memo 2016: SB14 – “*Update on the Internal Audit Leading Practice Repository*”, attached as Appendix A) advises that the repository will be available on a password-protected website, available to the sector by September 2016, initially using best practices information resulting from recent payroll audits. Boards were requested to submit leading practices documentation to their RIAM using the “*Leading Practices Template*” (Attached as Appendix B) after having been reviewed and approved by its board’s relevant SBO. The payroll repository will include sub-categories of audit information on change management, Human Resources Information Systems (HRIS), pay adjustments, payroll general ledger reconciliations and payroll validation reports.

Conclusion:

The Internal Audit Leading Practice Repository is intended to support SBOs and RIAMs by providing current and relevant audit reference material including exemplary practices and recommendations/action plans made in response to audit findings through cooperative participation in the initiative and a willingness to share information throughout the sector.

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
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Toronto ON M7A 1L2

**2016: SB14**

MEMORANDUM TO: Senior Business Officials
Regional Internal Audit Managers

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: April 29, 2016

SUBJECT: Update on the Internal Audit Leading Practice
Repository

In 2015: SB20, volunteers were requested to join a committee tasked with developing a tool to share with the sector leading practices identified through internal audits. This memorandum is intended to provide an update on the project.

I would like to thank all volunteers for their participation in the committee. These volunteers represent 15 boards (senior business officials, finance managers and board internal auditors), 6 regional internal audit teams (RIAT) and the Regional Internal Audit Coordinator. This reflects a strong desire in the sector for sharing leading practices.

Pilot

The repository will be piloted with the leading practices of a single process from the standard audit universe. The committee has selected the payroll process.

The pilot will be available to the sector by September 2016. To participate, payroll leading practices should be submitted by August 1, 2016 using the process specified below.

Once the pilot is successfully implemented, the repository will be expanded to include all processes in the school board audit universe.

Submission Process

A standard template should be used to document leading practices, which will be provided to senior business officials (SBO) and regional internal audit managers (RIAM) when available.

The process to submit a leading practice for inclusion in the repository is as follows:

- Internal auditors (regional or board) will populate the template. Each leading practice identified should be included in a separate document. As agreed upon by COSBO, information to be captured includes the school board's name.
- The relevant board's SBO must approve each leading practice.
- All approved documents will be sent to the Ministry, translated into English (if required) and forwarded to a professional writer who will review each leading practice for clarity. Please send your approved documents to Paula Hatt, Senior Analyst, Audit at paula.hatt@ontario.ca.
- Reviewed documents will be translated and converted to PDF, with both English and French versions posted to the repository.

The repository will be hosted on a password protected website. Further details will be shared when available. Access will be provided to all SBOs and RIAMs. SBO approval will be required for board internal auditors and finance managers to gain access.

Eligible Leading Practices

All leading practices identified through internal audits undertaken by RIATs or board internal auditors are eligible to be included in the repository, including exemplary practices and recommendations or action plans made in response to findings. All completed templates approved and submitted will be included in the repository.

To keep the repository current, it will include practices from audits completed in 2014-15 and beyond. Specific practices from earlier years may be selected if all relevant parties agree.

I encourage you to support the repository by sharing your board's leading practices. Participation is critical in creating a tool that meets the sector's needs.

For any questions relating to the repository, please contact Paula Hatt at paula.hatt@ontario.ca or 416-326-1170.

Original signed by

Cheri Hayward
Director
School Business Support Branch

cc: Dan Duszczyszyn, Regional Internal Audit Coordinator

School Board Leading Practice Repository Leading Practice Template			
Finding Title:			
Functional Area:	Choose an item	Process:	<e.g. Manage IT Strategy>
Year:	Choose an item	Board Size:	Choose an item
Board Name:			
<i>For further information, please contact:</i> Name: Enter Name Phone: Enter Phone Number Email: Enter Email Address			
Prepared By:		<Name of preparer>	
Approved By:		<SBO signature>	

Observation: <Insert summarized finding, if applicable.>

Implication: <Insert potential impact of above finding, if applicable.>

Leading Practice/Recommendation: <Insert summarized leading practice.>