

## York Catholic District School Board

**Memo To:** Audit Committee Members  
cc: Other Trustees

**From:** Carol Cotton, Audit Committee Chair  
John Sabo, Associate Director: Corporate Services & Treasurer of the Board

**Date:** August 27, 2015

**Re:** **Audit Committee Meeting September 3, 2015**

---

The Audit Committee meeting is scheduled for Thursday, September 3, 2015, as follows:

**9:00 a.m. – 9:15 a.m. In-Camera Session**

**9:15 a.m. – 12:00 p.m. Regular Session**

*(Note: The Regular Session includes a presentation by Shannon Walker, Whistleblower Security which is scheduled to commence at approximately 9:30 a.m.)*

Thursday, September 3, 2015

Room: Trustee Lounge/Room 100

Catholic Education Centre

The Audit Committee has been scheduled for September 3, 2015. Both a Regular Session and an In-Camera Session of the Committee has been scheduled.

***Note: The primary focus of the September 3, 2015 Audit Committee meeting will be to facilitate a presentation by Shannon Walker of Whistleblower Security.***

The meeting will commence with the Regular session agenda which includes the approval of the Minutes of the previous meeting (April 23, 2015) and three Discussion/Presentation Items.

The In Camera Session agenda consists of the one Action Item and one Discussion Item. The agenda does not include a time allotment for Supplementary Discussions with the Regional Internal Auditor (excluding Administration and then with Administration (excluding the Regional Internal Auditor. These items have been deferred to the next meeting.

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)  
Thursday, September 3, 2015  
9:00 – 12:00 p.m.  
Room 100/Trustee Lounge, Catholic Education Centre

### Page(s)

- |                                                              |           |   |
|--------------------------------------------------------------|-----------|---|
| 1. Call to Order and Prayer                                  | C. Cotton |   |
| 2. Roll Call                                                 | C. Cotton |   |
| 3. Approval of Agenda                                        |           |   |
| 4. Approval of the Minutes of the Previous Meeting           |           | 1 |
| 5. Declaration of Conflict of Interest                       |           |   |
| 6. Business Arising from the Minutes of the Previous Meeting |           |   |
| 7. Next Meeting Date: TBD, 2015                              |           |   |

### Action Item(s):

### Discussion/Presentation Item(s):

- |                                                                                       |                                                 |    |
|---------------------------------------------------------------------------------------|-------------------------------------------------|----|
| 8. Ministry Memorandum 2015: SB19 "Audit Committees & Regional Internal Audit Updates | J. Porter                                       | 4  |
| 9. Ministry Memorandum 2015: SB20 "Volunteers                                         | J. Sabo                                         | 18 |
| 10. Ethics and Compliance Reporting                                                   | J. Porter/F. Bagley                             | 21 |
| a. Draft Policy and Procedures                                                        |                                                 |    |
| b. Discussion with Third-Party Service Provider *                                     | J. Porter/<br>S. Walker, Whistleblower Security |    |

### Future Items:

- Future Audit Committee Training
  - Risk Management Training
  - Financial Statement Reporting

### **Adjournment**

*\*Note: This presentation will be structured as an inservice Q&A for Audit Committee members, other Trustees and potentially other boards.*

## York Catholic District School Board

### MINUTES AUDIT COMMITTEE (Regular Session)

An In-Camera meeting of the Audit Committee was held at the Catholic Education Centre, 320 Bloomington Road West, Aurora, Ontario, on Monday, April 23, 2015, commencing at 1:03 p.m.

**PRESENT:**

Committee Members:	M. Mogado, E. Crowe, C. Cotton
Other Trustees:	A. Stong
External Committee Members:	P. Laframboise, M. Tedesco
Administration:	J. Sabo, J. Porter, A. Chan, C. Logel, T. Steenhoek, L. Giambattista, J. Selvadurai
RIAT Team:	D. Johnston, Regional Internal Audit Manager
Other Guests:	D. Bressor, A. Kathawala, Deloitte LLP
Absent with Notice:	
Recording:	K. Errett
Presiding:	C. Cotton, Committee Chair

**1. CALL TO ORDER**

J. Sabo, Associate Director, Corporate Services and Treasurer of the Board, called the regular session of the Audit Committee meeting to order at 1:10 p.m.

**2. ELECTION OF CHAIR**

Trustee C. Cotton was acclaimed Audit Committee Chair for 2015 on nomination by Trustee Mogado and seconded by Trustee Stong.

**3. ELECTION OF VICE-CHAIR**

Trustee Crowe was acclaimed Audit Committee Vice-Chair for 2015 on nomination by Trustee Mogado and seconded by Trustee Stong.

**4. APPROVAL OF THE AGENDA**

**Motion: Mogado/Stong**

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

**– MOTION CARRIED –**

**5. APPROVAL OF THE MINUTES**

**Motion: Crowe/Mogado**

**THAT** the Minutes of the November 10, 2014 Audit Committee meeting be approved as presented.

**– MOTION CARRIED –**

**6. DECLARATION OF CONFLICT OF INTEREST**

Nil

**7. BUSINESS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING****a) Supplementary Information Re 2013-2014 Year-End**

J. Porter, Senior Manager of Budget and Audit Services provided requested supplementary information related to the changes in Administration and Governance expenditures from 2012-2013 to 2013-2014 in the amount of \$1,419,653 which was attributed to new expenditure items not previously included in that category, namely Regional Internal Audit (RIA) expenditures (\$506,802), RIA Host Board Expenditures (\$75,000), CEC Facility Renewal (\$483,072) and staffing realignment and contract positions (\$354,779). Funding for these expenditures is through GSN, EPO Grant, FRP and Reserves, but is required to be shown through the Administration & Governance category.

**8. PRESENTATION ITEMS:**

**NIL**

**9. ACTION ITEMS:**

**NIL**

**10. DISCUSSION/ INFORMATION ITEM(S):****a) MARCH 31, 2015 FINANCIAL REPORTING REQUIREMENTS**

A. Chan, Senior Manager of Business Services and Assistant Treasurer provided information regarding the March 31, 2015 Financial Report regarding processes and requirements, as mandated by the Ministry of Education (ref 2015 SB07 March 31, 2015 Financial Reporting Requirements). The March Financial Report focuses on the September 1, 2014 to March 31, 2015 capital activity and forms part of the consolidation of the Province.

It was noted that there are four new reporting requirements for 2014-15, i.e. requirement to report via EFIS 2.0, reporting of contaminated sites (effective April 1, 2014) (productive sites only), of which there is no liability for the Board to report, Education Program Other (EPO) reporting on a new schedule and mandatory submission of the Management Report through EFIS.

Grant Thornton LLP, External Auditors, will be engaged to perform specified procedures on some of the schedules in regard to the March 31, 2015 Financial Report beginning the week of April 27, 2015. Further, the findings are required to be filed with the Ministry by May 22, 2015. It was highlighted that the results of this review will translate to an in-year impact the Board's Financial Statements.

**b) FEBRUARY 2015 MINISTRY OF EDUCATION AUDIT COMMITTEE TRAINING SESSION DEBRIEF**

J. Sabo, Associate Director, Corporate Services and Treasurer of the Board, provided feedback from the February 18, 2015 Ministry of Education Audit Committee Training Session. Positive feedback and requests for additional sessions were received. The TA RIA CSC will revisit the issue of Audit Committee training and give further consideration to additional training sessions(s) which may focus on risk management/internal control, Province-Wide financial reporting and audit. D. Johnston noted that training is on-going across the Province, following which, the Ministry will release a series of FAQ's.

D. Johnston noted that a Regional Internal Audit Manager (RIAM) Conference will be held in June, 2015, during the COSBO conference. OMERS will be in attendance to discuss risk management issues.

**c) RIAT ORGANIZATIONAL STRUCTURE/RESOURCES UPDATE**

D. Johnston, Senior Manager, Regional Internal Audit Team, informed the Committee that the staff recruitment for the RIAT team is now complete. Biographies were provided for Brad Cross and Viraj Trivedi, Internal Audit Senior Specialists and for Shelley Ramessar and Beverley Milligan, Internal Audit Specialists.

Further to the RIAT staffing complement, RIAT Co-Sourcing of external vendor internal audit professional staff has been completed and is intended to supplement the team as the need arises. It was highlighted that other host boards wish to replicate the model implemented by the TA RIA CSC. The theme of leveraging experience through sharing was recognized.

**d) 2014-2015 YEAR-END PROPOSED SCHEDULE**

A. Chan, Senior Manager of Business Services and Assistant Treasurer provided the proposed schedule for the August 31, 2015 year-end audit. A planning meeting will be held with Grant Thornton LLP, External Auditors, next month to plan the specifics of the engagement. L. Giambattista, Manager of Accounting, Payroll and Benefits will act as key liaison.

**e) ETHICS AND COMPLIANCE REPORTING POLICY UPDATE**

J. Porter, Senior Manger of Budget and Audit Services, informed the Committee that further to Board Direction the draft Ethics and Compliance Policy and Procedures has been provided and asked the Committee for input prior to further submission to the Policy Review Committee of May 13, 2015.

It was reiterated that the Ethics and Compliance Reporting Policy and Procedure is intended to be address the reporting of financial wrongdoing as opposed to personnel or performance issues which are addressed by other policies.

A lengthy discussion was held with regard to clarifying key processes included in the Draft Policy such as the reporting line, assurances regarding whistleblower privacy and summary reports. It was agreed that another presentation from Shannon Walker, Whistleblowers Inc., be provided at the next Audit Commttee. It was requested that the presentation be structured to allow for members of the public to attend. Suggestion was made to survey other agencies to determine other practices.

It was agreed that the Draft Policy 502 and the related Procedures be further refined.

**f) RIAT PURCHASING APPROVAL AUTHORITY SCHEDULE**

A. Chan, Senior Manager of Business Services and Assistant Treasurer provided information on the Regional Internal Audit Team Approval Authority Schedule (RIAT-AAS) as approved by the TA RIA CSC. The RIAT-AAS outlines authority levels for the Request for Pre-Qualification for Audit/ Consulting vendors and the resulting acquisition of audit/consulting services and follows the same structure as YCDSB as Host Board. A one-year review will be undertaken.

**FUTURE ITEM(S):**

Nil

**Adjournment: 2:21 P.M.**

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

# *Report*

**Memo To:** Audit Committee  
**From:** Administration  
**Date:** August 28, 2015  
**Subject:** **Ministry of Education Memo 2015: SB19 Audit Committees and Regional Internal Audit Updates**

---

## **Executive Summary:**

A Ministry of Education Memorandum (2015: SB19 Audit Committees and Regional Internal Audit Updates) has been received to provide some recent updates and clarifications on the Audit Committees and Regional Internal Audit initiatives (Attachment A).

Specifically, communication has been provided regarding amendments to three sections of O. Reg. 361/10 “Audit Committees”, as follows:

- i) Audit Committee Chair
- ii) External Audit Plan, and
- iii) Ministry Reporting

Also, clarification was provided with regard to Administration Expenditures related to Regional Internal Audit.

Attachments to Memo 2015: SB19 are two related documents (Attachments B and C), as follows:

- i) Guideline on Audit Committee Reporting, V4, July 10, 2015, 8 pages
- ii) Internal Audit Expenditure Envelope Guideline, February 28, 2014, 2 pages

Ministry of Education

School Business Support Branch  
19th Floor, Mowat Block  
Queen's Park  
Toronto, ON M7A 1L2

Ministère de l'Éducation

Direction du soutien aux activités  
scolaires  
19e étage, édifice Mowat  
Queen's Park  
Toronto ON M7A 1L2



**2015: SB19**

**MEMORANDUM TO:** Directors of Education  
Senior Business Officials

**FROM:** Cheri Hayward  
Director  
School Business Support Branch

**DATE:** **July 16, 2015**

**SUBJECT:** **Audit Committees & Regional Internal Audit Updates**

---

This memorandum provides boards with some recent updates and clarifications on the audit committees and regional internal audit initiatives.

### **Audit Committees – Regulation Amendments**

The Ministry has made technical amendments to three sections of Ontario Regulation 361/10, “Audit Committees”, as detailed below. These amendments came into force on July 10, 2015.

#### **Audit Committee Chair**

Subsection 6(1) of the regulation now allows any audit committee member to be chair. Previously, the chair could only be selected from the trustee members of the audit committee.

This amendment was made in response to feedback received from the sector and provides the audit committee with the flexibility to elect a chair that best meets its needs.



## **External Audit Plan**

With the addition of paragraph 9(4) (2.1), the audit committee is now required to make recommendations to the board on the content of the external auditor's audit plan and on all proposed major changes to the plan. This allows for the external audit plan to be treated and reviewed with the same due diligence as the internal audit plan. Paragraph 9(3) (2) requires recommendations to the board on the content of and major changes to the internal audit plan.

## **Ministry Reporting**

The amendments to s. 15 bring the annual Ministry reporting requirements in line with the Ministry's information needs and what is currently requested:

- A summary of the work actually performed by the internal auditor in the year, compared to the planned work. This provides the Ministry with information on the use of the internal audit funding allocation.
- Based on the multi-year internal audit plan, whether any enrolment audits are expected. This assists the Ministry in planning its own enrolment audits, with the objective to avoid enrolment audits by the Ministry and regional internal audit in the same year.

The Ministry does not require the full audit plan or audit results.

The amendments to this section also now require the annual report to the board to include a summary of any enrolment audits planned by the internal auditor. This ensures that the same information is presented to both the board and the Ministry in their respective reports.

In conjunction with these amendments, the Ministry has made changes to the Guideline on Audit Committee Reporting. Changes reflect the above amendments to the reporting requirements and remove references to year one of the initiative. Other minor updates were made to the guideline to provide further clarification on the reporting requirements and to bring the report templates closer in line with the regulation. The updated document is attached.

## **Regional Internal Audit – Administration Expenditures Clarification**

In February 2014, the Ministry released memorandum 2014: SB03 (Regional Internal Audit Administration Expenditures) announcing that regional internal audit host boards could use up to 10% of the year's internal audit allocation on host board administration expenditures attributable to but not directly incurred by the regional internal audit team (RIAT). This allowed compensation for the host boards' additional efforts, while still providing the RIATs with sufficient funds to execute the audit plan.

It has come to my attention that most host boards are claiming administration expenditures, but are not providing the Regional Internal Audit Managers with details or supporting documentation for the amount taken.

In order to promote transparency and accountability, administration expenditures being taken from the internal audit budget must be supportable and demonstrate an actual service provided to the RIATs. Allowable administration expenditures are limited to those included in Note 2 of the Internal Audit Expenditure Envelope Guideline (attached). Please contact the Ministry at the email address or telephone number listed below for approval to incur any expenditure not specified in the guideline.

While the supporting documentation is not required to be submitted to the Ministry, it should be maintained for audit purposes, etc.

I would also like to clarify that your host board can only claim administration expenditures starting with the 2013-14 fiscal year (the year 2014: SB03 was released). Expenditures from earlier years are not eligible. If you have any questions on either the audit committee regulation or the regional internal audit initiative, please contact Paula Hatt at [paula.hatt@ontario.ca](mailto: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

## Guideline on Audit Committee Reporting

Section 15 of Ontario Regulation 361/10, “Audit Committees”, requires an audit committee to report to the board of trustees. This document provides additional guidance on the timing and format of the reports.

There are three types of reports and two frequencies for audit committee reporting:

<b>Report Type</b>	<b>Frequency</b>	<b>Method of reporting</b>
Meeting Report	After each meeting	Oral and/or written
Detailed Annual Report	Annual	Written
Ministry Report	Annual	Written

### Meeting Report

After each audit committee meeting, the audit committee chair will contact the chair of the Board and request that an audit committee update (matters discussed at the audit committee meeting) be added to the agenda of the next Board meeting. This report will be delivered verbally by the audit committee chair (or designate). Where the audit committee brings forward a recommendation for the Board to adopt, the recommendation shall be provided in writing. Examples of recommendations would include, but are not limited to, the following:

- The annual and multi-year internal audit plan;
- Any significant changes to the annual or multi-year internal audit plan since the prior approval;
- The appointment, replacement or dismissal of the external auditor;
- The setting or adjustment of the fees of the external auditor;
- The external auditor’s audit plan;
- Any significant changes to the external auditor’s audit plan since the prior approval; and
- The approval of the audited financial statements.

The written report should follow the format presented in **Appendix A**.

### Detailed Annual Report (to the Board of Trustees)

Every year, no later than November 30th, the audit committee will present a report to the Board of Trustees, covering the prior fiscal year. The report will include:

- The annual or multi-year internal audit plan, which includes any planned internal audits on enrolment;
- A description of any changes made to the internal audit plan(s);

- A list of the work performed by internal audit during the period, together with a list of the work the auditor expected to perform during the period;
- A summary of risks identified and findings made by internal audit;
- A summary of the work performed by the committee for the year;
- The audit committee's assessment of the board's progress on addressing any internal or external audit findings and recommendations;
- A summary of the matters addressed by the committee at its meetings;
- The attendance record of audit committee members; and
- Other matters that the audit committee considers relevant (e.g. fraud, special mandates and assignments, specialist involvement, etc.)

The report should follow the format presented in **Appendix B**.

### **Ministry Report (to the Board of Trustees and forwarded to Ministry of Education)**

Every year, no later than November 30th, the audit committee will present a second annual report to the Board of Trustees which will be submitted to the Ministry of Education no later than January 15th. The intent of the reporting is twofold:

- A list of the work performed by the internal auditors in the fiscal year provides a report to the Ministry on the use of the internal audit funding allocation; and
- A list of planned enrolment audits for upcoming fiscal years allows better coordination of enrolment audits performed by the Ministry of Education and the regional internal audit teams.

This report should be signed by the audit committee chair and presented to the Board prior to submission to the Ministry.

The report should follow the format presented in **Appendix C**.

## **Appendix A - Sample Report after Each Meeting**

To the Board of Trustees of DSB XXXX

Dated XXXXX

Following the statutory committee meeting held on XXXX, in XXXX, Ontario, the audit committee recommends to the Board of Trustees the approval of the following:

- XX
- XX

---

Audit Committee Chair

Enclosures

## Appendix B - Sample Detailed Annual Report

### Annual Report to the Board of Trustees For the year ended August 31, 20XX

This report summarizes the audit committee's actions for the year ending August 31, 20XX.

#### Audit Committee Members

The audit committee consisted of *<insert number>* members listed below:

- XX – Chair
- XX – Trustee representatives
- XX – External members

*(Where applicable, insert beside individuals names who resigned during the year "resigned" as well as their resignation date.)*

In addition, regular attendees at the Committee meetings were:

- XX – Regional Internal Audit Manager
- XX – *(Insert title)*
- XX – *(Insert title)*

#### Administrative Tasks

At the beginning of the year and in accordance with recommended good practice various administrative tasks were completed. These included:

- adopting and/or modifying the following bylaws/protocols;
- developing a work plan;
- developing a meeting schedule and agenda for the year; and
- *<insert other items where appropriate>*

#### Meetings

It was agreed to hold three meetings throughout the year with a fourth meeting, from December to May, if necessary. All meetings have been held *(or were not held and the reason)* as planned.

The members in attendance at each meeting were as follows:

<i>Member's Name</i>	<i>Sept xx, 20xx</i>	<i>Nov xx, 20xx</i>	<i>MM xx, 20xx</i>	<i>Jun xx, 20xx</i>
<i>&lt;insert name 1&gt;</i>	X	X	X	X
<i>&lt;insert name 2&gt;</i>	X	X		X

## **Governance**

The audit committee operated throughout the fiscal year ending August 31, 20xx. All of the members satisfied the eligibility requirements in accordance with Ontario Regulation 361/10.

## **External Auditors**

The relationship with the external auditors has been satisfactory (*adjust if necessary*) and private meetings were held during the year. The external auditors (*insert name of auditor firm*) presented the scope and extent of their work to the committee, which the committee reviewed and recommended for approval at the XXXX meeting. The external auditors confirmed their independence in the letter dated XXXX. The audit committee reviewed and recommended the approval of the annual audited financial statements on XXX. The audit committee recommended the reappointment of the external auditors for the next fiscal year during the meeting held XXXXXX. (*Where applicable*) The external audit services will be going to tender during the next fiscal year.

## **Internal Auditors**

The relationship with the internal auditors has been satisfactory (*adjust if necessary*) and private meetings were held during the year. The Committee reviewed the results of the risk assessment, as well as the risk-based multi-year internal audit plan (attached) for the five years commencing September 1, 20XX and the annual audit plan (attached) for the 20XX/XX fiscal year.

*(Include where applicable)*

The following changes were made to the originally submitted internal audit plans:

- Annual plan (*change # 1, change # 2, etc.*)
- Multi-year plan (*change #1, change # 2, etc.*)

The internal auditors performed the following work during the year:

### **PLANNED AUDITS:**

- o Audit # 1 (*completed/in progress*)

- Audit # 2 (completed/in progress)

UNPLANNED AUDITS:

- Audit # 1 (completed/in progress)
- Audit # 2 (completed/in progress)

(Where applicable) The following planned audits were not undertaken for the following reasons:

- Audit, reason
- Audit, reason

For all completed audits, the following is a summary of risks and findings made by the internal auditor:

<b>Audit</b>	<b>Risks</b>	<b>Findings</b>
<Title Audit 1>	<ul style="list-style-type: none"> <li>• Risk 1</li> <li>• Risk 2</li> </ul>	<ul style="list-style-type: none"> <li>• Finding 1</li> <li>• Finding 2</li> </ul>
<Title Audit 2>		
<Title Audit 3>		

The audit committee endorsed each report, including management’s action plan, and advised the board of trustees to accept it. {May specify if the meetings were held in camera}.

The audit committee received reports from internal audit that assessed the progress toward management’s implementation of action plans developed in response to previous audit findings. This enabled the audit committee to engage management in a discussion regarding findings not satisfactorily actioned, as well as encouraging renewed efforts on overdue action plans.

(Insert name of third party audits or reviews) **Audit / Review** (if applicable)

XXXX (describe the date, the extent and the results of any audits or reviews performed by outside parties)

**Audit Committee training** (if applicable)

A development training opportunity covering <insert topic> was held on <insert date> and attended by all members.



## Summary of the work performed

In addition to the items noted above, the following outlines further work performed by the audit committee in the last 12 months:

- Received a report from the internal auditors on their review of the effectiveness of controls across the school board;
- Confirmed that the external and internal auditors did not encounter any difficulties in the course of their work;
- Recommended the fees charged by the external auditors in respect of the 20XX audit;
- Reviewed the fees paid to the external auditors in respect of non-audit work undertaken during the year *(if applicable)*;
- Undertook a review of the external auditors' performance;
- Obtained confirmation from the Director of Education that the school board was compliant with all current federal and provincial Acts, Regulations and Statutes.
- Undertook an evaluation of the effectiveness of the internal audit function, including the performance of the regional internal audit manager and his / her team;
- Queried management on their approach to risk management as well as their strategy to manage such risks; and
- Performed a self-assessment.

Other tasks performed during the year: *(list where appropriate)*

- Reviewed the effectiveness of the school board's whistleblower policy *(if applicable)*
- 

By the signature noted below, we attest that we have discharged our duties and responsibilities under Ontario Regulation 361/10.

On behalf of the audit committee

---

Audit Committee Chair

## 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)**

During the 20X/XX fiscal year, there were no internal audits started or completed. The internal auditors 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 were started but not completed by August 31st:

- Internal audit # 1
- Internal audit # 2

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

- Internal audit # 1

**AND**

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

**OR**

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

Audit Committee Chair  
Title

# Internal Audit Expenditure Envelope Guideline

## Background

Education funding recognizes that school boards need flexibility to decide how best to allocate resources within their budgets. At the same time, there are restrictions on how school boards may use certain components of their allocations. Limitations are applied to items such as special education, administration and governance, classroom expenditures, school renewal and new pupil places. The internal audit grant allocation is also enveloped and protected.

## Enveloping Rules

The Ministry is specifying below the types of spending / allowable costs for which the internal audit allocation may be used and may not be used by the host boards. The host boards, along with other district school boards, may choose to supplement the internal audit allocation with other resources. However, host boards must spend the entire amount of the internal audit grant allocation, as determined by the enveloping provisions of the regulation. Any under spending of the internal audit grant allocation must be placed in a deferred revenue account for future internal audit expenditures.

Allowable costs:

- Recruiting costs for the regional internal audit team (RIAT) (i.e. costs of job advertising, executive search firm)
- Salaries and benefits of the RIAT
- Travel and accommodation costs for the RIAT to perform their audits
- Travel costs for the RIAT members to attend audit committee meetings
- Travel costs for meetings with other regional internal audit managers/teams and/or the Ministry
- Professional development costs for the RIAT (i.e. professional association membership fees, registration fees, associated travel costs)
- Consultant costs for specialized audits, as per the Internal Audit Staffing Guideline, excluding fraud related investigations
- Internal audit software costs
- Directly attributable costs for the RIAT to perform their duties at the board where the staff is permanently located (i.e. laptops, office supplies and long distance charges)
- Incremental costs for RIAT to perform their duties, should additional facility space be required to accommodate the team

February 28, 2014

Page 1 of 2

- External quality assurance review costs of the internal audit activity (every 5 years)
- Attribution of administration costs , to an annual maximum of 10% of the year's internal audit allocation

Disallowed costs:

- Attribution of administration costs exceeding the maximum threshold stipulated above
- Other audit committee related costs not specifically listed above

Note 1: Expenditures must be in line with the host board's policies and procedures.

Note 2: For purposes of this guideline, attributed administration costs include the following:

- Human resource, legal and other support for the recruitment and/or termination of regional internal audit team members
- Operations, facility and/or IT support for the RIAT, as required
- Management and administrative support to provide new regional internal audit managers with orientation to the policies and procedures of the host board
- Procurement support where the RIAT seeks to obtain outside services
- Costs to offset the administrative time commitment of the SBO as related to the RIAT (including hiring, termination, performance reviews, other HR matters, expense report review and communication with other boards in the region)
- **Does not include** the time commitment and support required of these parties as part of an audit

# *Report*

**Memo To:** Audit Committee

**From:** Administration

**Date:** August 28, 2015

**Subject:** **Ministry of Education Memo 2015: SB20 Volunteers Sought for Input on Regional Internal Audit Leading Practice Repository**

---

## **Executive Summary:**

A Ministry of Education Memorandum (2015: SB20 Volunteers Sought for Input on Regional Internal Audit Leading Practice Repository) (Attachment A) has been received regarding the feedback received from Ontario school boards which reflected a common interest for sharing of leading practices that are identified through Regional Internal Audit findings.

A workgroup will be established by the Ministry of Education to allow members to discuss and share these leading practices with the education sector. Jackie Porter, Senior Manager of Budget and Internal Audit has volunteered to participate in the workgroup as a representative of York Catholic DSB.

Updates will be provided to the Audit Committee as required.

Ministry of Education

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

Ministère de l'Éducation

Direction du soutien aux activités  
scolaires  
19<sup>e</sup> étage, Édifice Mowat  
900, rue Bay  
Toronto ON M7A 1L2



2015: SB20

**MEMORANDUM TO:** Senior Business Officials  
Regional Internal Audit Managers

**FROM:** Cheri Hayward  
Director  
School Business Support Branch

**DATE:** July 30, 2015

**SUBJECT:** **Volunteers Sought for Input on Regional Internal  
Audit Leading Practice Repository**

---

In 2015: SB12, the Ministry requested feedback on the regional internal audit initiative. I would like to thank everyone who took the time to provide their comments and suggestions for improvement. Many of the responses indicated a desire for regional and/or provincial sharing of leading practices identified through internal audits.

In response to this suggestion, the Ministry will be creating a workgroup tasked with developing a tool to share these leading practices with the sector. Members of the workgroup will include Ministry representatives, Dan Duszczyzyn in his role as Regional Internal Audit Coordinator and two or three volunteers from each of the following roles:

- Senior business officials
- Finance managers
- Regional internal auditors (managers or staff)
- Board internal auditors

The participation of each of these roles is critical to ensure that the tool meets the needs of the sector.

If you would like to participate in the workgroup, or have any questions, please contact Paula Hatt at [paula.hatt@ontario.ca](mailto:paula.hatt@ontario.ca) or 416-326-1170. Please confirm your interest by August 31, 2015. It is anticipated that the first meeting will take place in September.

*Original signed by:*

Cheri Hayward  
Director  
School Business Support Branch

cc: Directors of Education  
Dan Duszczyszyn, Regional Internal Audit Coordinator

York Catholic District School Board

***Report***

**Memo To:** Audit Committee

**From:** Administration

**Date:** August 28, 2015

**Subject:** Ethics and Compliance Reporting

---

**Executive Summary:**

Time has been allocated at the September 3, 2015 Audit Committee meeting to review and discuss the development of a Draft Ethics and Compliance Reporting Policy and Procedures for the Board.

To facilitate this review and discussion, Shannon Walker of Whistleblower Security (current third-party service provider for GTA Peel DSB) will be in attendance to present to the Committee on this topic.

In addition, please find attached a copy of the latest version (May 2014) of the Ethics and Compliance Reporting Policy and Procedures.

The intent of this session is to seek input from Committee and Board members with the objective of developing the next version of the Ethics and Compliance Reporting Policy and Procedures.



# York Catholic District School Board



## **PROCEDURE:**

# **ETHICS AND COMPLIANCE REPORTING (WHISTLEBLOWER PROTECTION)**

**Addendum to Policy 502:**

Effective: xxx 2015

# ETHICS AND COMPLIANCE REPORTING

## PURPOSE

The York Catholic District School Board is committed to safeguarding the public interest and trust in public education. All internal and external stakeholders for the York Catholic District School Board Community are expected to uphold the public trust and demonstrate integrity in all of their dealings.

This operational procedure supports that commitment by providing a framework for the disclosure and investigation of wrongdoing by the Ethics and Compliance Committee, as well as protection from reprisal or threat of reprisal for those who make disclosures of such information.

## RATIONALE

This operational procedure applies to all internal and external stakeholders of the YCDSB Community. This operational procedure extends to all individuals or organizations engaged in education or other activities while in facilities or representing the York Catholic District School Board.

## Operational Procedures

### 1. Reporting a Wrongdoing

- 1.1 Any act of wrongdoing that is detected or suspected must be reported immediately to the employee's immediate supervisor.
- 1.2 Where a member of senior staff is suspected of alleged wrongdoing, the individual or employee may notify the Director of Education.
- 1.3 Where the Director of Education is suspected of alleged wrongdoing, the individual or employee may notify the Chair of the Board.
- 1.4 Where a Trustee is suspected of alleged wrongdoing, the individual or employee may notify the Director of Education as Secretary of the Board.
- 1.5 **Where the Director of Education is suspected of alleged wrongdoing, the investigation will be conducted by the Board and a third party investigator.**
- 1.6 The Ethics Reporting Service may also be contacted where the individual reporting the alleged wrongdoing is uncomfortable with reporting the matter through the processes noted above.
- 1.7 The individual can report their concerns to the Ethics Reporting Services via email, fax, mail, or phone.
- 1.8 The Ethics Reporting Service collects the information from the individual, creating a unique case file for each matter reported. The information will be assessed and forwarded to the Director of Education, unless he or she is the subject of the report.

## 2. Investigation of Suspicions or Allegations of Wrongdoing

- 2.1 The Director of Education shall ensure that all instances of alleged wrongdoing shall be appropriately investigated and reported back to the Board on an annual basis.
- 2.2 Under the authority of the Director, the matter may be directed to the Ethics and Compliance Committee for review and investigation.
- 2.3 ~~The Director of Education shall determine when it is appropriate to inform the Chair of the Board or the Board of Trustees of an allegation of wrongdoing or the results of an investigation of wrongdoing.~~ The Director will report all instances of reported wrongdoing to the Chair.
- 2.4 The Director of Education, in consultation with the Board's forensic consultants and/or the Board's legal counsel, may solicit the services of internal staff and/or external resources as appropriate.
- 2.5 Employees are expected to fully cooperate with management and any others involved in the investigation and make all reasonable efforts to be available to assist during the course of the investigation.
- 2.6 In the event that the investigation was conducted in good faith yet is not to the informant's satisfaction, then he/she has the right to report the event to the appropriate legal or investigative agency.
- 2.7 All participants in an investigation of an alleged wrongdoing, including persons who make a disclosure, witnesses, and the persons alleged to be responsible for wrongdoing, shall keep the details and results of the investigation confidential, and shall not discuss the matter with anyone other than those conducting the investigation.

## 3. Duty to Protect

- 3.1 York Catholic District School Board will develop and implement a process to protect the identities of all participants in an investigation of wrongdoing, including persons who make a disclosure, witnesses, and the persons alleged to be responsible for wrongdoing.
- 3.2 A person who has reasonable grounds for believing he or she has suffered a reprisal is entitled to make a complaint to the Board.
- 3.3 The Board shall develop a process for investigating complaints of reprisal.
- 3.4 An individual or employee who retaliates against someone who has reported in good faith is subject to discipline, up to and including termination of employment or vendor/contractor services.
- 3.5 In making a report, an individual or employee must be acting in good faith with reasonable grounds for believing that there is a **grievous** breach of a ~~Code of Conduct~~ Board policies, the law, or of financial practices.

#### **4. Duty to Report**

- 4.1 Any act of wrongdoing that is detected or suspected must be reported immediately and investigated in accordance with this policy as expeditiously as possible.

#### **5. Duty to Investigate**

- 5.1 The identity of the informant shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement, in which case members of the organization are subject to subpoena.
- 5.2 When a wrongdoing is confirmed by the investigation, appropriate disciplinary action shall be taken, up to and including termination of employment and/or contract where appropriate.
- 5.3 In the event of criminal misconduct, the police shall be notified immediately.

#### **6. Prohibition Against Interfering with an Investigation**

- 6.1 Any person who willfully obstructs management or any others involved in an investigation of wrongdoing is subject to disciplinary measures including suspension or termination.
- 6.2 No person shall destroy, alter, falsify, or conceal a document or other thing they know or ought to know is likely relevant to an investigation of wrongdoing.
- 6.3 Any person who destroys, alters, falsifies, or conceals a document or other thing they know or ought to know is likely relevant to the investigation of wrongdoing is subject to disciplinary measures, including suspension or termination.

#### **7. Prohibition Against Counseling Interference with an Investigation**

- 7.1 Any individual who directs, counsels or causes in any manner any individual to obstruct management or any others involved in an investigation of wrongdoing is subject to disciplinary measures, including suspension or termination.
- 7.2 Any individual who directs, counsels or causes in any manner any individual to destroy, alter, falsify, or conceal a document or other thing they know or ought to know is likely relevant to an investigation is subject to disciplinary measures, including suspension or termination.

#### **8. Reporting of a Complaint From An Individual Who Believes That They Have Suffering From Retaliation or Reprisal**

- 8.1 An individual who feels that they are suffering reprisal resulting from making a complaint should contact the Superintendent of Human Resources or Director of Education.
- 8.2 The Ethics Reporting Service may also be contacted where the individual who feels that they have suffered reprisal is uncomfortable with reporting the matter through the process noted in 8.1.

**9. Investigating a Complaint From An Individual Who Believes That They Have Suffering From Retaliation or Reprisal**

9.1 The complaint will be processed as per Board policies and procedures.

DRAFT

# YORK CATHOLIC DISTRICT SCHOOL BOARD



BOARD POLICY	
<i>Policy Section</i> <b>Work Environment – Respectful Workplace</b>	<i>Policy Number</i> <b>502</b>
<i>Former Policy #</i>	<i>Page</i> <b>1 of 6</b>
<i>Original Approved Date:</i>	<i>Last Approval Date:</i>
<b>xxx 2015</b>	

**POLICY TITLE: ETHICS AND COMPLIANCE REPORTING (WHISTLEBLOWER PROTECTION)**

## SECTION A

### 1. PURPOSE

The York Catholic District School Board is committed to the highest standards of ethical conduct, integrity and accountability. The Board is responsible for the stewardship of District resources and the public support that enables it to pursue its Mission and Vision.

To this end, the York Catholic District School Board is committed to safeguarding **with** confidence and trust in public education. All internal and external stakeholders for the York Catholic District School Board community are expected to uphold the public trust and demonstrate integrity in all of their dealings.

The purpose of this policy is to provide a framework for the disclosure and investigation of wrongdoing while protecting employees from reprisal or threat of reprisal for making a disclosure.

**This policy does not apply to complaints against employee, as this is addressed in Policy 424: Disposition of Complaints About Staff from Members of the Public, or complaints against Trustees, as this is addressed in Policy 108: Investigation of Complaints Against Senior Admin and Trustees.**

Furthermore, this policy will provide information to ensure that all individuals are familiar with the procedures to confidentially report actual or alleged occurrences of wrongdoing to their direct Supervisor or through a third party certified ethics reporting service.

### 2. POLICY STATEMENT

York Catholic District School Board will achieve effective utilization and protection of all resources through the sound application and management of all financial systems and

internal controls. It is the policy of the York Catholic District School Board to foster and maintain an environment where employees act with integrity and without any fear of reprisal.

This policy is intended to encourage York Catholic District School Board stakeholders at all levels of the organization and others to act with integrity. All individuals to whom this policy applies are expected to adhere to the procedures outlined in this policy when making a disclosure and during any subsequent investigation.

### 3. PARAMETERS

- 3.1. Any individual who has knowledge of an occurrence of a wrongdoing, or has reason to suspect that an alleged wrongdoing has occurred, has the right and obligation:
  - 3.1.1. To report the occurrence immediately using the channels of reporting provided in the procedures to this policy; or may choose,
  - 3.1.2. To report the actual or alleged occurrence to the third party certified ethics reporting service as outlined in the procedures to this policy.
- 3.2. Responsibility for ensuring all reported allegations of wrongdoing are **communicated to the Board by the Director of Education in a timely manner.**
- 3.3. **If the alleged wrongdoing is against the Director of Education, the Chair will report to the Board in a timely manner.**
- 3.4. An Ethics and Compliance Committee shall be established under the direction of the
  - 3.4.1. Director of Education to assist with the review and investigation of wrongdoing outlined in the procedures of this policy.
- 3.5. Any alleged act of wrongdoing that is detected or suspected shall be investigated in accordance with this policy as expeditiously as possible.
- 3.6. The Board shall make every effort to ensure that an individual, who in good faith makes a report under this policy, is protected from harassment, retaliation or adverse actions and/or results.
- 3.7. An individual who has reasonable grounds for believing he or she has suffered a reprisal shall be entitled to make a complaint following the process outlined in the procedures to this policy.
- 3.8. An individual who retaliates against someone who has reported in good faith is subject to discipline, up to and including termination of employment or vendor/contractor services.
- 3.9. An individual who makes an unsubstantiated report, which is knowingly false, frivolous, or made with vexatious or malicious intent, shall be subject to discipline, up to and including termination of employment or vendor/contractor services.
- 3.10. The York Catholic District School Board shall investigate any and all incidents of suspected or alleged acts of wrongdoing when a report is received by the Certified Ethics Reporting Service. An objective and impartial investigation will be conducted as per the procedures to this policy, regardless of the position, title, length of service, or relationship with the Board, of any party who becomes the subject of such investigation.

- 3.11. No individual shall willfully obstruct management or any others involved in an investigation of alleged wrongdoing.
- 3.12. No individual shall direct, counsel or cause in any manner any person to obstruct management or any others involved in an investigation of wrongdoing.
- 3.13. No individual shall direct, counsel or cause in any manner any person to destroy, alter, falsify, or conceal a document or other thing they know or ought to know is likely relevant to an investigation of alleged wrongdoing.
- 3.14. When a wrongdoing is confirmed by the investigation, appropriate disciplinary action shall be taken, up to and including termination of employment and/or contract where appropriate.
- 3.15. In the event of criminal misconduct, the Police shall be notified immediately.
- 3.16. A report of the number and classification of disclosures of information shall be provided to the ~~Audit Committee- Board~~ on an annual basis.

#### 4. RESPONSIBILITIES

##### 4.1. **Board of Trustees**

- 4.1.1. To ensure all reported allegations of wrongdoing are investigated as expeditiously as possible.

##### 4.2. **Director of Education**

- 4.2.1. To oversee compliance with the Ethics and Compliance Reporting (Whistleblower Protection) policy and guidelines.
- 4.2.2. To establish and oversee the Ethics and Compliance Committee.

##### 4.3. **Associate Director of Corporate Services**

- 4.3.1. To ensure system awareness and compliance with this policy in adherence with generally accepted accounting principles, sound business practices and applicable Provincial and Federal Statutes and Regulations.
- 4.3.2. To oversee the management and maintenance of comprehensive operational procedures to guide and safeguard York Catholic District School Board assets in its day to day operations.
- 4.3.3. To provide the Audit Committee with annual updates of the number of disclosures of information.

##### 4.4. **Superintendent of Human Resources**

- 4.4.1. To work in conjunction with the Ethics and Compliance Committee to ensure that proper protocol is followed when an investigation is confirmed regarding any employee wrongdoing.
- 4.4.2. To work with all parties to ensure an effective resolution.
- 4.4.3. To review final reports and determine resolution(s), when required and in consultation with the Director of Education.

##### 4.5. **Administration**

- 4.5.1. To implement and maintain operational procedures to guide and safeguard York Catholic District School Board assets in its day to day operations.



## **5. DEFINITIONS**

### **5.1. Certified Ethics Reporting Service**

5.1.1. An objective third party service offering a secure reporting tool and management system to support the Board's mandate to implement an ethics and compliance reporting (whistleblower protection) policy and procedure. The certified ethics reporting service protects individuals' identities so they are more inclined to report alleged wrongdoing.

### **5.2. Ethics and Compliance Committee**

5.2.1. A committee established under the direction of the Director of Education comprising members from Administration as required and/or requested. The Ethics and Compliance Committee's purpose is assist with the review and investigation of wrongdoing as outlined in the procedures of this policy.

### **5.3. External Stakeholders**

5.3.1. A person, group of people or organization that holds a vested interest in the school community, including, but not limited to:

- 5.3.1.1. All levels of Government
- 5.3.1.2. Community Members
- 5.3.1.3. Education partners/organizations
- 5.3.1.4. Ministry of Education
- 5.3.1.5. Media
- 5.3.1.6. Vendor/Contractors

### **5.4. Internal Stakeholders**

5.4.1. A person, group of people or organization that holds a vested interest in the school community, including, but not limited to:

- 5.4.1.1. Parents
- 5.4.1.2. Parishes
- 5.4.1.3. School Administrators
- 5.4.1.4. Senior Administrators
- 5.4.1.5. Staff (School, Centrally assigned and/or Contract)
- 5.4.1.6. Students
- 5.4.1.7. Trustees

### **5.5. Reprisal**

5.5.1. Any measure taken against an individual or employee that adversely affects his or her employment or appointment and includes, but is not limited to:

- 5.5.2. Ending or threatening to end an individual or employee's employment or appointment
- 5.5.3. Disciplining or suspending or threatening to discipline or suspend an individual or employee
- 5.5.4. Imposing or threatening to impose a penalty related to employment or appointment of an individual or employee
- 5.5.5. Intimidating, coercing or harassing an individual or employee in relation to his or her employment or appointment

## **5.6. Whistleblower**

- 5.6.1. An individual, who reports that a person or organization is, or has been, engaged in an illicit or alleged illicit activity.

## **5.7. Administration**

- 5.7.1. For the purpose of this policy, Administration will include employees who have direct supervisory responsibility for a group of employees including, but not limited to:
  - 5.7.1.1. Associate Director
  - 5.7.1.2. Superintendents of Education
  - 5.7.1.3. School Administration
  - 5.7.1.4. Senior Managers
  - 5.7.1.5. Managers
  - 5.7.1.6. Supervisors
  - 5.7.1.7. ~~Coordinators~~

## **5.8. Wrongdoing**

- 5.8.1. A wrongdoing may be classified collectively as illegal or inappropriate conduct, i.e.: a violation of a law, rule, regulation and/or a direct threat to public interest, such as fraud, health and safety violations, and corruption.
- 5.8.2. Wrongdoing includes, but is not limited to:
- 5.8.3. Fraud as defined in the Criminal Code of Canada
- 5.8.4. Misappropriation of funds, supplies, resources, or other assets
- 5.8.5. Any computer related activity involving the alteration, destruction, forgery, manipulation of data or unauthorized access for wrongdoing purposes, in violation of Board policies and procedures
- 5.8.6. Irregular and/or improper accounting, internal controls, or auditing practices or conduct
- 5.8.7. Conflicts of interest (personal or otherwise) influencing the objectives and decision-making of one's duties
- 5.8.8. An actual or suspected violation or contravention of any federal or provincial law, regulation, Board policies or administrative procedures as it relates to the York Catholic District School Board
- 5.8.9. Conduct or practices that present a danger to the health, safety, or well-being of the Board's students, employees, or other parties, where applicable
- 5.8.10. Unprofessional conduct or conduct that contravenes the Board's Code of Conduct as it relates to Employees and Trustees
- 5.8.11. Knowingly directing or counseling a person to commit a wrongdoing of illegal or inappropriate conduct
- 5.8.12. The above list is not exhaustive but is intended to provide guidance to individuals as to the kind of conduct which constitutes wrongdoing under this policy.

**6. CROSS REFERENCES**

- YCDSB Policy 118      ~~Trustee Code of Conduct~~
- YCDSB Policy 423      Conflict of Interest of Employees
- YCDSB Policy 501      Respectful Workplace
- Criminal Code of Canada*
- Education Act*
- Municipal Freedom of Information and Protection of Privacy Act*
- Ontario Human Rights Code*

**Approval by Board**

\_\_\_\_\_  
*Date*

**Effective Date**

\_\_\_\_\_  
*Date*

**Revision Dates**

\_\_\_\_\_  
*Date*

**Review Date**

\_\_\_\_\_  
*Date*