

Minutes of the Audit Committee Meeting - OPEN
Held on Thursday, September 14, 2023
Kemptville Board Office & Microsoft Teams (virtual)

A. OPENING

Meeting was called to order at 6:06 p.m.

A.1 Prayer

Chair McAllister opened with land acknowledgement and prayer.

B. ROLL CALL

B.1 Audit Committee Members

Present: Karen McAllister, Audit Committee Member and Trustee
Christopher Cummings, Audit Committee Member and Trustee
Joe Basile, Audit Committee Member (External)

Regrets: Nancy Kirby, Audit Committee Member (External)

Recommendation: "That the Audit Committee excuse the absence of Audit Committee Member, Nancy Kirby, from the Open Meeting of September 14, 2023."

Moved by: Christopher Cummings

Carried

B.2 Board Administration

Present: Ashley Hutchinson, Superintendent of Business & Treasurer
Traci Bloomfield, Manager of Finance
Stephanie Keyes, Administrative Assistant

B.3 Guests

Present: Genevieve Segu, Regional Internal Audit Manager
Portia Marcaida, Regional Internal Auditor
Rob Clayton, Audit Partner KPMG

C. AMENDMENT TO AND APPROVAL OF AGENDA

Recommendation: That the Audit Committee approve the agenda of the open meeting of September 14, 2023"

Moved by: Joe Basile

Carried

D. DECLARATION OF CONFLICT OF INTEREST

Nil

E. APPROVAL OF MINUTES

F.1 Minutes of the Audit Committee Meeting held on June 14, 2023

Recommendation: That the Audit Committee approve the minutes of the meeting held on June 14, 2023, as presented”.

Moved by: Joe Basile

Carried

F. PRESENTATIONS

F.1 External KPMG Audit Presentation on the Audit Plan for the 2022-23 Fiscal year

Rob Clayton, KPMG Audit Engagement Partner, presented a high-level overview of KPMG’s Audit Planning Report for the year ending August 31, 2023.

Mr. Clayton advised that a new significant area of focus was identified in the current year related to the Board’s implementation of the new accounting standard, PS 3280, Asset Retirement Obligations (“ARO”). The ARO standard requires the School Board to record a liability related to the future costs of any legal obligations to be incurred upon retirement of any controlled tangible assets. The amount of the initial liability will be added to the historical cost of the asset and amortized over its useful life if the asset is in productive use.

The Board has been working with the facilities department, and will be relying on costing from the Ministry of Education (“the Ministry”) for assets, to assist with the Board’s PS 3280 ARO compliance. The Board has completed their ARO evaluation and costing as of September 1, 2022 (opening balances) for purposes of Ministry reporting, and will update their estimate as of August 31, 2023.

Other significant changes include Bill 124. Ontario Superior Court rendered a decision to declare the Protecting a Sustainable Public Sector for Future Generations Act, 2019, known as Bill 124, to be void and of no effect. On December 29, 2022, The Province of Ontario appealed the Superior Court’s decision, but the Government has not sought a stay of decision. This ruling has triggered reopener provisions that required renewed negotiations with certain labour groups on compensation for the years that were previously capped by the legislation. The Board will need to evaluate the impact of this on the payroll costs and accruals for fiscal 2023. This clause will likely not have a significant impact on the Board as the union representing teachers did not have reopening clause.

Recommendation: “That the Audit Committee recommend approval of the 2022-23 Audit Plan to the Board of Trustees.”

Moved by: Christopher Cummings

Carried

F.2 RIAT 2023-2024 Annual Report

Ms. Segu began by stating that the year of the report is 2023-2024; however, the report focuses on audits during 2022-2023.

During the 2022-2023 period the Board completed all three audits included in the audit plan which was approved by the committee in September 2022.

Audits completed in 2022-2023 include:

- Safe Schools Risk Assessment Engagement
- Legislative Compliance (Management Request Engagement)
- Follow-Up Procedures

Ms. Segu clarified the definition of engagement throughout her report relates to audits.

Recommendation: “That the Audit Committee receive as information the 2023-24 Annual Report”

Moved by: Joe Basile

Carried

F.3 RIAT 2023-2024 Plan – CDSBEO

Ms. Segu advised that due to resources and other unforeseen circumstances, audits indicated in the 2023-2024 Internal Audit Plan may take 18-24 months to complete.

Audits and Scope include:

- **2023-24 Strategic Risk Assessment**
RIAT is mandated to perform a cyclical risk assessment with the goal to align their future work with the results. In doing so, Management also gains a deeper understanding and a formalization of their risks at the regional and local level.
- **2023-24 Special Education Benchmarking**
The purpose of this project is to share comparative metrics with participating Boards to highlight potential differences and outliers that could be used to investigate and report on.
- **2023-24 Management Request Engagement**
This engagement focuses benchmarking the Board’s fraud policies and procedures against other school boards and public sector organizations in the province to identify any gaps and ultimately improvements to strengthen the Board’s processes.
- **2023-24 Follow-up of Provisions Audit recommendations**
This is a recurring item on RIAT’s annual plan. RIAT continues to follow-up on the remaining recommendation, as they come due.

Committee discussion related which audit(s) are of priority. It was noted that 2023-24 Strategic Risk Assessment is the priority. In terms of 2023-24 follow-up of audit recommendations, Mrs. Hutchinson added comments for consideration which included Management continues their work on the Legislative Compliance Audit, and there will be

work to complete on the Fraud Policy implementation, as well as updates to the SGF Guidelines. In relation to the 2023-24 Special Education Benchmarking, information is available through EFIS. We should also consider Special Education needs which are presenting high and therefore professional staff are in high demand.

Committee members agreed that going forward the Internal Audit Plan shall be amended to Internal Audit Priorities.

Recommendation: “That the Audit Committee recommend approval of the 2023-24 Regional Internal Audit Plan.”

Moved by: Christopher Cummings

Carried

G. ACTION ITEMS

G.1 Director Confirmation of Compliance

Letter from Director Corrigan confirming the Board’s confirmation of compliance with various Acts and Regulations was shared with the committee.

H. INFORMATION ITEMS

Nil.

I. CLOSING PRAYER

Audit Committee chair led the Committee in a closing prayer.

J. ADJOURNMENT

Recommendation: “That the Open Meeting of September 14, 2023, be adjourned at 6:55 p.m.”.

Moved by: Joe Basile

Carried