



AUDIT COMMITTEE MEETING

OPEN SESSION

Monday, September 9, 2019
5:30 p.m.

Education Centre
Grimsby-Lincoln Room

A G E N D A

1. **Call to Order and Welcome** - Stacy Veld
2. **Nominations and Election of Chair for 2019-20** - Stacy Veld
3. **Approval of Agenda** - Chair
4. **Declaration of Conflicts of Interest** - Stacy Veld
 - a) 2019-20 Declaration of Conflict of Interest (form)
 - b) Declaration of Conflict of Interest re Agenda (verbal)
5. **Audit Committee Self-Assessment** - Stacy Veld
6. **Regional Internal Audit Team (RIAT) Status Report** - Jenny Baker
 - a) Summary of Training Completed for 2018-19
 - b) 2019-20 Training Plan
7. **Move to Closed Session**
8. **Move Back to Open Session**
9. **Next Meeting Date: Monday, November 18, 2019**
5:30 p.m., Education Centre
10. **Adjournment**



AUDIT COMMITTEE MEMBER

DECLARATION RE CONFLICT OF INTEREST

As set out in Ontario Regulation 361/10 subsection 14 (1):

“Every member of an audit committee shall, when he or she is appointed to the committee for the first time and at the first meeting of the committee in each fiscal year, submit a written declaration to the chair of the committee declaring whether he or she has a conflict of interest as described in subsection 4 (2)”

Subsection 4 (2) states:

“... a person has a conflict of interest if his or her parent, child or spouse is employed by the board”.

This Declaration applies to: *Please check one of the following:*

- ☐ My initial appointment to the Audit Committee
- ☐ The first Audit Committee meeting for the fiscal year 2019-20
- ☐ Any other time during my appointment

Please complete when declaring no conflict of interest:

I, _____, declare that I do not have a parent, child or spouse
Print Name
employed by the District School of Niagara and therefore have no conflict of interest as defined
in Ontario Regulation 361/10, s. 4 (2), of the *Education Act*.

Please complete when declaring a conflict of interest:

I, _____, declare that I have a conflict of interest as defined
Print Name
in Ontario Regulation 361/10, s. 4 (2), of the *Education Act*, as I have a parent, child or spouse
employed by the District School Board of Niagara.

Dated at St. Catharines, Ontario, this _____ day of _____, 2019.

Signature of Audit Committee Member

DISTRICT SCHOOL BOARD OF NIAGARA
REPORT TO AUDIT COMMITTEE
AUDIT COMMITTEE SELF-ASSESSMENT

Background:

Ontario Regulation 361/10 requires Audit Committee members to conduct a yearly self-assessment using a prescribed format. Responses will be consolidated by the Controller of Finance and kept on file in the office of the Superintendent of Business Services. A summarized document will be brought forward for information.

Appended Data:

Audit Committee Self-Assessment Form

Respectfully submitted,

Stacy Veld, Superintendent of Business Services

September 9, 2019

For further information, please contact Stacy Veld, Superintendent of Business Services.

Audit Committee Self-Assessment

The following questionnaire will assist in the self-assessment of the audit committee's (AC) performance. The questionnaire should take less than 30 minutes to complete. When completing the performance evaluation, you may wish to consider the following process:

- Select a coordinator (perhaps the chair of the AC) and establish a timeline for the process.
- You may consider asking individuals who interact with the audit committee members (Regional Internal Audit Manager, Chair of the Board of Trustees, etc.) to also complete the assessment.
- Ask each audit committee member to complete an evaluation by selecting the appropriate response below.
- Consolidate the results into a summarized document for discussion and review by the committee.

If the answer is "Yes" for some criteria and "No" for others, check the box "No" and include comments for those criteria that were not met below each category.

1. COMPOSITION	Yes	No
<ul style="list-style-type: none"> Has appropriately qualified members Has appropriate sector knowledge and diversity of experiences and backgrounds Demonstrates integrity, credibility, trustworthiness, active participation, an ability to handle conflict constructively, strong interpersonal skills, and the willingness to address issues proactively Meets all applicable independence and conflict of interest requirements Participates in continuing education programs for existing members and/or orientation programs for new members 	<input type="checkbox"/>	<input type="checkbox"/>
Comments: 		

2. PROCESSES AND PROCEDURES	Yes	No
Meetings contain the following: <ul style="list-style-type: none"> Adequate minutes and report of proceedings to the Board of Trustees Quorum Well prepared members Conducted effectively, with sufficient time spent on significant or emerging issues Respect the line between oversight and management Separate (in camera) sessions with management, internal and external auditors as required Recommendations for the Board of Trustees to adopt and/or approve Feedback to the Board of Trustees regarding their interactions with senior management, internal audit and external audit 	<input type="checkbox"/>	<input type="checkbox"/>
Meetings are appropriately planned/coordinated due to the following: <ul style="list-style-type: none"> Preparation of an annual calendar to guide meeting discussions Agenda and related materials are circulated in advance of meetings Held with enough frequency to fulfill the audit committee's duties Encouragement from the audit committee chair for agenda items from board members, management, the internal auditors, and the external auditors Written materials provided to/and from the audit committee are relevant and concise 	<input type="checkbox"/>	<input type="checkbox"/>
An annual self-assessment is conducted and presented to the Board of Trustees	<input type="checkbox"/>	<input type="checkbox"/>
Comments: 		

3. UNDERSTANDING OF THE BOARD, INCLUDING RISKS	Yes	No
<ul style="list-style-type: none"> Has general knowledge about operating risks and risk appetite of the Board of Trustees (e.g. Regulatory requirements, Ministry of Education compliance rules, financing and liquidity needs, school board's reputation, senior management's capabilities, fraud control, school board pressures such as "tone at the top") Reviews the process implemented by management to effectively identify and assess significant risks, and assessed the steps taken to control such risks Reviews the Regional Internal Audit Team's risk assessment and understands the identified risks Considers the school board's performance versus that of comparable school boards in a manner that enhances risk oversight (particularly where significant differences are noted) Takes appropriate action (such as requesting and overseeing special investigations) where information was received that would lead you to believe that a fraudulent or unusual activity has taken place 	<input type="checkbox"/>	<input type="checkbox"/>
Comments: 		

4. OVERSIGHT OF FINANCIAL REPORTING PROCESS, INCLUDING INTERNAL CONTROLS	Yes	No
Reviews the financial statements for the following: <ul style="list-style-type: none"> Completeness and accuracy Significant accounting policies followed by the board Quality, appropriateness and transparency of note disclosures Identification of related-party transactions Adjustments to the statements that resulted from the external audit Recommendation to the Board of Trustees for their approval 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Is consulted when management is seeking a second opinion or disagrees with the external auditor on an accounting or auditing matter. In the case of a disagreement, the audit committee leads the parties toward resolution Receives sufficient information to assess and understand management's process for evaluating the school board's system of internal controls (environment, risk assessment, information system, control activities, monitoring) Receives sufficient information to understand the internal control testing conducted by the internal auditors and the external auditors to assess the process for detecting internal control issues or fraud. Any significant deficiencies or material weaknesses that are identified are addressed, reviewed, and monitored by the audit committee Recommends to the Board of Trustees that management takes action to achieve resolution when there are repeat comments from auditors, particularly those related to internal controls Makes inquiries of the external auditors, internal auditors, and management on the depth of experience and sufficiency of the school board's accounting and finance staff 	<input type="checkbox"/>	<input type="checkbox"/>
Comments: 		

5. OVERSIGHT OF INTERNAL AUDIT AND EXTERNAL AUDIT FUNCTIONS:	Yes	No
Understands the coordination of work between the external and internal auditors and clearly articulates its expectations of each.	<input type="checkbox"/>	<input type="checkbox"/>
INTERNAL AUDIT: <ul style="list-style-type: none"> • Reviews the annual and multi-year internal audit plans and makes recommendations for adjustments when appropriate • Regularly reviews the internal audit function (e.g. independence, the mandate, activities, structure, budget, compliance with IIA standards and staffing) • The internal audit reporting lines established with the audit committee promote an atmosphere where significant issues that might involve management will be brought to the attention of the audit committee • Ensures that there are no unjustified restrictions or limitations on the scope of any internal audit • Reviews significant internal audit findings, management's action plans to address these findings and the status of action plans presented in earlier meetings 	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		
EXTERNAL AUDIT: <ul style="list-style-type: none"> • Reviews the annual external audit plan and provides recommendations, as necessary • Oversees the role of the external auditors from selection to termination and has an effective process to evaluate their independence, qualifications and performance • Reviews management's representation letters to the external auditors, including making inquiries about any difficulties in obtaining them • Reviews significant external audit findings, management's action plans and the status of action plans presented in earlier meetings • Reviews and makes recommendations to the board on the audit fees paid to the external auditors • Reviews other professional services that relate to financial reporting (e.g., consulting, legal, and tax strategy services) provided by outside consultants • Recommends to the Board of Trustees and oversees a policy regarding the permissible (audit and non-audit) services that the external auditors may perform and considers the scope of the non-audit services provided 	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		
6. ETHICS, COMPLIANCE & MONITORING	Yes	No
<ul style="list-style-type: none"> • Reviews the school board's system for monitoring compliance and reviews any action taken by the board to address non-compliance (compliance with regulatory agencies, Ministry of Education, etc.) • Performs an adequate review of any findings of examinations by regulatory agencies or the Ministry of Education • Reviews management's procedures for enforcing the school board's code of conduct • Oversees the school board's whistleblower process and understands the procedures to prohibit retaliation against whistleblowers • Receives sufficient funding to fulfill its objectives and engage external parties for matters requiring external expertise 	<input type="checkbox"/>	<input type="checkbox"/>
Comments:		



INTERNAL AUDIT TEAM

West of Central Region

MEMO

TO: District School Board of Niagara Audit Committee
FROM: Jenny Baker, Regional Internal Audit Manager
DATE: 9 September 2019
SUBJECT: Regional Internal Audit Status Report – Open Committee Session

This memorandum will serve to update the Audit Committee of the Regional Internal Audit Team's (RIAT) work since June 10, 2019.

A. Other

- i. Please refer to the attached 2019-2020 training plan and a summary of training completed for the 2018-19 year. This report is provided to confirm RIAT compliance to International Standard for the Professional Practice of Internal Auditing, standard #1230 - Continuing Professional Development.
- ii. Karl Hutchinson, Senior Internal Auditor resigned from Regional Internal Audit team in July.

RIAT Education and Training Plan

Objective:

1. To report on RIAT compliance to International Standards for the Professional Practice of Internal Auditing standard #1230 - Continuing Professional Development.
2. To define training plans to develop and maintain staff professional competencies.

Completed 2018-19

Auditor	Training Focus	Date
All Auditors	1. Review revised RIAT Audit manual and ensure team practices align with requirements 2. Ontario Association of School Business Officials,(OASBO) Internal Audit Section 3. Relevant seminars/webinars on fraud, ethics, privacy and IT Security offered by the various institutes (*see acronyms below)	January 2019 4-6 meetings throughout the year.) As offered throughout the year
John Forte	1.Privacy Training- Grant Thornton 2. MIAA Conference	June 2019 October 2018
Andrea Eltherington	1. Completed assigned audit projects to contribute to meeting CISA experience requirements. Andrea confirms that she has met the annual continuing education requirements of the IIA.	Throughout the year
Jenny Baker	1. Speaker, OASBO Privacy and Information Management group and Finance and Internal Audit Conference on Privacy. Jenny confirms that she has met the annual continuing education requirements of CPA Ontario, ISACA and the ACFE.	November 2018 and February 2019

Planned 2019-20

Auditor	Training Focus	Date
All Auditors	1. Attend IIA National Conference. 2. OASBO Internal Audit. 3. Internal Team Training on auditing privacy and privacy frameworks. 4. Relevant seminars/webinars on fraud, ethics, privacy and IT Security offered by the various institutes.	September 15-18, 2019 4-6 meetings during year September 2019 Throughout the year
John Forte	Progress through CIA requirements	Throughout the year
Andrea Eltherington	Execute audit projects to contribute to meeting CISA experience requirements.	Throughout the year

Acronyms

ACFE – Association of Certified Fraud Examiners

IIA- Institute of Internal Auditors

ISACA – Information Systems Audit and Control Association

CIA – Certified Internal Auditor

CPA – Chartered Professional Accountant

CISA – Certified Information Systems Auditor