

# AGENDA

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## Audit Committee Agenda Public Session

September 20, 2023

Item	Responsibility
1 Call to Order – Election of Chair	Chair
2 Acknowledgement of Traditional Lands	K. Kramp
3 Roll Call	Chair
4 Approval of Agenda	Chair
5 Declarations of Conflict of Interest	Chair
6 Approval of Minutes from previous meetings: (a) June 7, 2023	Chair
7 Committee Reports (a) 2023-2024 Annual Report on Internal Audit Activities (b) 2023-2024 Regional Internal Audit Plan – <b>Recommendation</b> (c) External Audit Update (verbal)	N. Kishinchandani/G. Segu N. Kishinchandani/G. Segu N. Kishinchandani/L. Huber
8 Staff Report (a) Annual Report to the Board of Trustees (b) Annual Report to Ministry of Education	N. Kishinchandani N. Kishinchandani
9 Notice of Motion (nil)	Chair
10 Correspondence (nil)	Chair
11 Adjournment	Chair

**Members present:** K. Kramp, R. Prinzen, A. Robertson, J. Edmonds

**Regrets:** K. Egan

**Absent:** None

**Guests:** G. Champagne, L. Huber, P. L'Orfano, G. Segu

**Resources:** K. MacIver, N. Pfeiffer, T. Rodgers

**Minutes:** J. McLaren, Executive Assistant

**1. Call to order**

The meeting was called to order at 3:31 p.m. by Superintendent Pfeiffer.

Nominations were called for the position of Chair of the Audit Committee. Trustees Robertson and Prinzen were nominated, and an election by ballot was conducted. Trustee Robertson was elected as Chair of the Audit Committee.

**2. Acknowledgement of Traditional Lands**

Trustee Robertson offered the Land Acknowledgement.

**3. Roll Call**

Chair Robertson requested a roll call of Trustees.

**4. Approval of agenda**

**Moved:** K. Kramp

**Seconded:** R. Prinzen

That the agenda be approved for Wednesday, June 7, 2023.

**Carried**

**5. Declarations of Conflict of Interest**

None.

**6. Approval of Minutes from Previous Meeting**

**Moved:** J. Edmonds

**Seconded:** R. Prinzen

That the minutes of the Monday, November 14, 2022 meeting be approved.

**Carried**

**7. Committee Reports**

**Regional Internal Audit Update**

Superintendent Pfeiffer and Genevieve Segu, Regional Internal Audit Manager (RIAM) referred to Report 7(a), dated June 7, 2023.

**Clarification/discussion items included:**

- A question arose as to whether Bill 98 would be reviewed. It was advised that the Bill is not part of the compliance for 2023-2024.

### **Internal Audit Charter**

Superintendent Pfeiffer and Genevieve Segu (RIAM) referred to Report 7(b), dated June 7, 2023.

**That the Audit Committee recommend that Hastings and Prince Edward District School Board approve the Regional Internal Audit Charter.**

**Moved: R. Prinzen**  
**Seconded: K. Kramp**

**Carried**

#### **Clarification/discussion items included:**

- A question was raised regarding the number of school boards the internal auditor provides service to. It was confirmed that nine English speaking Eastern Ontario school boards and all French-speaking Eastern Ontario school boards receive their service.

### **External Auditor's Plan**

Superintendent Pfeiffer and Lori Huber from KPMG LLP referred to Report 7(c), dated June 7, 2023.

**That the Audit Committee recommend that Hastings and Prince Edward District School Board approve the External Auditor's Plan.**

**Moved: K. Kramp**  
**Seconded: R. Prinzen**

**Carried**

#### **Clarification/discussion items included:**

- A question arose regarding sharing of documents and whether there were issues with the process not being fully electronic. HPEDSB is currently in the very early stages of implementing an enterprise resource management (ERP) system.
- Clarification was requested regarding proposed fees and who determines them. It was advised that it is difficult to provide an estimate, but a conversation will take place with management to discuss time spent on projects.

### **2023-2024 Proposed Meeting Dates**

Superintendent Pfeiffer referred to Report 8(a), dated June 7, 2023.

#### **Clarification/discussion items included:**

- A concern was raised regarding the proposed November committee date and whether there would be a delay in receiving information. It was advised that the recommended date remains November 8, 2023, and that dates can be added if necessary.

### **8. Notice of Motion**

None.

### **9. Correspondence**

None.

### **10. Adjournment**

The meeting adjourned at 4:24 p.m. The next meeting is proposed for Wednesday, September 20, 2023.

Decision     Information   X  

**To:** Audit Committee

**From:** Narin Kishinchandani, Superintendent, Business Services

**Re:** **2023-2024 Annual Report on Internal Audit Activities**

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**Purpose**

To provide information regarding the 2023-24 annual report on internal audit activities.

**Link to Strategic Plan**

5.3 "Ensure Responsible Communication" - Improve public relations by providing information that is timely, transparent, and accessible for all.

**Background**

The Ontario East Regional Internal Audit Team (RIAT)'s work is regulated and guided by the following three main documents:

- Ontario Regulation 361/10: Audit Committees (The Regulation);
- The Regional Internal Audit Mandate (The Mandate); and
- The International Professional Practices Framework (The Framework) From the Institute of Internal Auditors (IIA).

**Current situation**

In accordance with these documents, the Regional Internal Audit Manager (RIAM) is pleased to present the Ontario-East RIAT's Annual Activities Report to the Audit Committee. The contents of Appendix A include essential requirements under the Regulation, the Mandate and the Framework, such as:

- A confirmation of the independence of the audit activities;
- A description of its function;
- A confirmation of conformance with the Code of Ethics; and
- A summary of the 2022-23 activities.

**Appendices**

Appendix A – 2023-24 Annual Report on Internal Audit Activities

Appendix B – 2023-23 Signed Regional Internal Audit Team Charter



<b>Subject:</b>	2023-24 Annual Report on Internal Audit Activities
<b>Presented by:</b>	Geneviève Segu, Regional Internal Audit Manager Gord Champagne Senior Internal Auditor
<b>Meeting Date:</b>	September 20, 2023

## Introduction

The Ontario East Regional Internal Audit Team (RIAT)'s work is regulated and guided by the following three main documents:

- Ontario Regulation 361/10: Audit Committees<sup>1</sup> (The Regulation);
- The Regional Internal Audit Charter (The Charter); and
- The International Professional Practices Framework (The Framework) from the Institute of Internal Auditors (IIA).

In accordance with these documents, the RIAM is pleased to present the Ontario-East RIAT's Annual Activities Report (the Report) to the Audit Committee. The contents of the Report include essential requirements under the Regulation, the Charter and the Framework, such as:

- A confirmation of the independence of the audit activities;
- A description of its function;
- A confirmation of conformance with the Code of Ethics; and
- A summary of the 2022-23 activities.

## Charter & Purpose

Audit Committee members reviewed and approved the Ontario East Regional Internal Audit Team (RIAT)'s charter at the June 2023 meeting.

The charter defines the purpose of the RIAT to "provide independent, objective assurance and consulting services designed to add value and improve the district school boards' operations in the Ontario East region." As per Ministry guidelines, Regional Internal Audit Teams across the province have developed an internal audit charter, posted on their Host Board's website.

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<sup>1</sup> The full regulation is available at the following link: <https://www.ontario.ca/laws/regulation/100361>



There are no changes to the charter this year. The Internal Audit Charter is appended to this memorandum. (see Appendix 1).

## **Independence**

Independence is an essential component to building public trust and preserving objectivity and integrity associated with the internal audit function. To ensure this independence, RIAT reports:

- Functionally to each of the nine Audit Committees of the Ontario East region<sup>2</sup>; and
- Administratively to the Senior Business Official of the host board, Ottawa Catholic School Board.

As required under the Charter, and in alignment with the Framework, the RIAT staff henceforth confirm that they are not aware of any relationships with the School Board that may be perceived to bear on their independence.

## **Organizational Structure, Staffing and Professional Development**

The RIAT consists of a team of two Internal Auditors, one Senior Internal Auditor and one Internal Audit Manager. All Auditors report directly to the Regional Internal Audit Manager.

Each Auditor is responsible for audits at three of the nine school boards, as follows:

- Gord Champagne: Hastings and Prince Edward DSB, Ottawa-Carleton DSB, Renfrew County DSB;
- Pasquale L'orfano: Limestone DSB, Ottawa Catholic SB, Upper Canada DSB; and
- Portia Marcaida: Algonquin Lakeshore Catholic DSB, Catholic DSB of Eastern Ontario, Renfrew County Catholic DSB.

We are pleased to report that all positions within the team are currently filled with qualified staff. The professional designations held by the RIAT include:

- Chartered Professional Accountant (CMA and CGA);
- Certified Internal Auditor (CIA);
- Certified Information System Auditor (CISA); and

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<sup>2</sup> The nine school boards in the Ontario East region are: Algonquin Lakeshore Catholic DSB, Catholic DSB of Eastern Ontario, Hastings and Prince Edward DSB, Limestone DSB, Ottawa Catholic SB, Ottawa-Carleton DSB, Renfrew County Catholic DSB, Renfrew County DSB, Upper Canada DSB.



- Certification in Risk Management Assurance (CRMA).

The RIAM is also working towards acquiring the Supervisory Officer's Qualification Program, a certification required for all school boards' executives.

The governing bodies issuing the professional designations require that members complete continuing professional development/education on an annual basis to upkeep their proficiency and knowledge. This also includes an annual ethics training requirement. Each member of the RIAT received 5 days of training, leveraging associations within the K-12 sector, the Public Sector as well as professional organizations. The following are the main topics of the RIAT training in the 2022-23 school year:

- Ethics;
- Risk management;
- Cybersecurity;
- Diversity and Inclusion.

In addition to full time staff, RIAT, resorts to co-sourcing when a specialist is required or resources are limited in the performance of an engagement. In 2022-23, RIAT engaged the following firms to continue work undertaken in the previous year across the portfolio:

- MNP with the Covid 19 Lessons learned at one Board as well as the 22-23 Enrolment Project for the Ottawa Boards; and
- Robert Half with the Legislative Compliance project across four school boards.

## Quality Assurance

The charter requires that RIAT performs its function and operations in accordance with the Framework. Standard 1310 requires that both internal and external quality assessments be conducted on a periodic basis. The following provides further details on how the RIAM ensures quality and continuity in the RIAT's activities:

- *Internally*, the RIAM continuously ensures QA by performing activities such as: ongoing monitoring, reviewing of working papers and being present at exit interviews. In addition, the RIAT use an internal audit software<sup>3</sup> with audit program templates based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework<sup>4</sup>. A number of documents (such as the charter and the final reports) developed by the collective of RIAMs in Ontario, are based on the Framework's standards of practice.

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<sup>3</sup> Pentana

<sup>4</sup> See the following link for further information about COSO: <https://www.coso.org/Pages/default.aspx>



- *Externally*, the RIAM engaged the Institute of Internal Auditors<sup>5</sup> to evaluate and review the RIAT's Quality Self Assessment in the spring of 2021. The conclusion was that "It is the overall opinion of the IIA that RIAT generally conforms with the Standards and the Code of Ethics". For the administrative and governance areas where the IIA found the RIAT in partial or noncompliance, they issued recommendations which have now mostly been implemented<sup>6</sup>. The outstanding item is outside of RIAT's control, where the chairs of the Audit Committee at three of the nine school boards in the portfolio have not requested that a regular, private, in-camera session be included in the agenda.

### **2022-23 RIAT Annual Plan Activities**

As per the Ministry of Education's 2016: B10 memo<sup>7</sup>, each Board should receive a minimum of two engagements a year, in addition to follow-up procedures on recommendations issued for previous audits (where necessary).

The RIAM prepares an annual or multiyear plan each year based on the risk assessments and input from Audit Committee Members and Management. The RIAM then provides the plan to the audit committee, for their approval and to make recommendations to the board of trustees.

#### 2022-23 Region-Wide Plan

Of 47 planned engagements:

- 26<sup>8</sup>(55%) were presented to AC;
- 6 (13%) were not initiated; and
- 15 (32%) were in the reporting, planning or fieldwork phase.

By August 31<sup>st</sup>, 2023, 34 (72%) projects were either presented to AC or in the report process, to be presented to AC at the beginning of the 2023-24 year.

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<sup>5</sup> See the following link for the North America Chapter of the IIA: <https://na.theiia.org/Pages/IIAHome.aspx>

<sup>6</sup> See 2022-23 Annual Report on Internal Audit Activities presented to AC in September 2022.

<sup>7</sup> The complete list of B and SB memos can be found at this link: <https://efis.fma.csc.gov.on.ca/faab/Memos.htm>

<sup>8</sup> Includes follow-up reports





The following table presents a summary of the status of all RIAT engagements in the Ontario East Region:

	Completed <sup>9</sup>		Work In Progress <sup>10</sup>		Postponed		TOTAL	
	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22
Assurance and Consulting	17	15	15	10	6	5	38	30
Follow-up	9	3	-	6	-	-	9	9
<b>TOTAL</b>	<b>26</b>	<b>18</b>	<b>15</b>	<b>16</b>	<b>6</b>	<b>5</b>	<b>47</b>	<b>39</b>

RIAT staff participated in 32 Audit Committee meetings, including three for this school board. The RIAM also coordinated the Audit Committee training for new trustees and audit committee members for all the school boards in Ontario, with the support of the other RIAMs.

On the back end, the Ontario East RIAT members led the monthly RIAM meetings, participated in provincial meetings relating to Internal Audit, Cybersecurity and Legislative Compliance.

2022-23 School Board Plan

At the September 2022 Audit Committee meeting, Audit Committee members approved the following audit plan for the School Board:

Year	Audit	Status
Carry Forward 2021-22	<p><b>Expense Claims Audit</b></p> <p>This engagement focuses on controls related to the school board's expense reimbursement, such as documentation and approval.</p>	<p>Complete</p> <p>Nov 14<sup>th</sup> 2022: Final report to Audit Committee</p>

<sup>9</sup> Presented to AC during the 2022-23 School Year

<sup>10</sup> Includes engagements in the planning, fieldwork or report phase



	AC members have requested this engagement.		
2022-23	<p><b>Legislative Compliance</b></p> <p>This is a Board-wide risk assessment of the school board's compliance with relevant legislations and regulations. It further documents all existing internal controls in place for each of the highest risks and enables Management to formally express an informed opinion on its compliance level. This engagement was performed and well received by other RIATs in the province.</p>	<p>Fieldwork</p> <p>Management is in the process of identifying controls and residual risks.</p>	
2022-23	<p><b>Follow-up On Cybersecurity</b></p> <p>On September 22<sup>nd</sup> 2021, the HPEDSB Audit Committee received for information the Cybersecurity Framework final report that contained a roadmap for the School Board.</p> <p>RIAT will be reviewing the school board's progress along that roadmap.</p>	<p>Complete</p> <p>June 7<sup>th</sup>, 2023 – Final Report to Audit Committee</p>	
2022-23  Management's Request	<p><b>Aspen Enrolment Review</b></p> <p>Management identified a potential risk relating to the implementation of Aspen, the new Student Information System procured by OECM (a collaborative marketplace for the broader public sector in Ontario).</p> <p>The engagement will assess the efficiency and effectiveness of internal controls around data collection and data submission, with a focus on the October 2022 count date which gets submitted Jan 2023.</p>	<p>Not Initiated</p>	



<p>2022-23</p>	<p><b>Follow-up Procedures</b></p> <p>This is a recurring item on RIAT's annual plan.</p> <p>RIAT continues to follow-up on the remaining recommendations, as they come due.</p>	<p>Complete</p>
<p>RIAT completed 60% of its 2022-23 plan.</p> <p><u>2022-23 Follow-up Procedures</u></p> <p>Following up on previous audit recommendations is a recurrent engagement on the yearly RIAT plan, where there are outstanding recommendations from previous audits.</p> <p>Across the Ontario East Region, in the spring of 2019, there were 298 recommendations outstanding versus 15 as of July 11<sup>th</sup>, 2023. This trend clearly demonstrates that the follow-up procedures of the past years is achieving its goal of ensuring that Management improves their internal control, where recommended.</p> <p>Were the recommendations are aging or there are a high number of recommendations, AC sometimes requests an implementation plan from Management. This indicates that AC training on Regulation 361/10, along with the periodic reporting from RIAT to AC on the number of outstanding recommendations is helping AC identify and act on internal controls deficiencies, hence fulfilling their responsibilities under Regulation 361/10.</p> <p>At this school board, RIAT conducted and presented follow-up procedures to the Audit Committee members in the spring 2022-23. There are currently five recommendations outstanding compared to eighteen a year prior. This indicates that Management is actively implementing previous audit recommendations.</p>		
<p><b>Recommendations</b></p>		
<p>That the Hastings and Prince Edward District Board Audit Committee:</p> <ol style="list-style-type: none"> <li>1. Receives for information the 2023-24 Annual Report on Internal Audit Activities.</li> </ol>		
<p><b>Appendix 1</b></p>		



1. 22-23 RIAT Charter (signed)



## **Regional Internal Audit Charter**

### **PURPOSE AND DEFINITION**

The purpose of the regional internal audit team is to provide independent, objective assurance and consulting services designed to add value and improve the district school boards' operations in the Ontario East region. It helps the district school boards accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

### **ROLE**

The regional internal audit activity is established by the Ministry of Education through the annual Grants for Student Needs funding. The oversight role of the Audit Committee of the Board of Trustees over the regional internal audit activity is established by Regulation 361/10.

### **PROFESSIONALISM**

The regional internal audit activity will adhere to the Institute of Internal Auditors' mandatory guidance including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the regional internal audit activity's performance.

### **AUTHORITY**

The regional internal audit activity, with strict accountability for confidentiality and the safeguarding of records and information is authorized full, free and unrestricted access to any and all of the district school boards' records, physical properties, and personnel pertinent to carrying out any engagement. All school board employees are requested to assist the regional internal audit team in fulfilling its responsibilities. The regional internal audit team will also have free and unrestricted access to school board leaders and to the Audit Committee of the Board of Trustees.



## **ORGANIZATION**

The internal audit function follows a regional model. The function consists of a Regional Internal Audit Manager (RIAM) responsible to district school boards in one of the eight regions in the province of Ontario as identified by the Ministry of Education. The Regional Internal Audit Manager will report functionally to their regional audit committees of the Boards of Trustees and administratively are supported by a host school board Senior Business Official. Every effort is made to adequately staff the internal audit function, within available financial resources, in order to perform its audit activities.

The functional reporting relationship between the RIAM and each Audit Committee of the Board of Trustees will be further demonstrated by each Audit Committee of the Board of Trustees for their Board performing the following functions:

- Approve the regional internal audit charter;
- Recommend for approval the risk based internal audit plan;
- Receive information from the Regional Internal Audit Manager about the internal audit activity performance to plan and other relevant matters;
- Inquire of the Regional Internal Audit Manager whether there are resource or scoping limitations; and
- Review annually the performance of the regional internal audit activity and provide the Board of Trustees with their comments regarding the performance of the Regional Internal Audit Manager.

The Regional Internal Audit Manager will interact directly with the Audit Committee of the Board of Trustees, including in-camera sessions and between audit committee meetings as appropriate.

## **INDEPENDENCE AND OBJECTIVITY**

The regional internal audit activity will remain free from interference by any element in the district school board including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of a necessary independent and objective mental attitude.

Regional internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair judgment.

Regional internal auditors will exhibit the highest standards of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Regional Internal Audit Manager will confirm to the Audit Committee of the Board of Trustees, at least annually, the organizational independence of the internal audit activity.



## **RESPONSIBILITY**

The scope of work of the regional internal audit team encompasses but is not limited to:

- Evaluating risk exposure relating to the achievement of the district school board's strategic objectives;
- Evaluating the reliability and integrity of information and the means used to identify measure, classify and report information;
- Evaluating the systems which ensure compliance with policies, procedures, applicable laws and regulations which impact the district school board;
- Evaluating whether resources are acquired economically, used efficiently, and are adequately protected;
- Evaluating operations and processes to ascertain whether results are consistent with established objectives and whether processes are functioning as planned;
- Performing consulting and advisory services or assessments of specific operations as requested by the Audit Committee of the Board of Trustees or district school board management as appropriate;
- Evaluating the effectiveness of the district school board's risk management and governance processes;
- Reporting periodically on the regional internal audit performance against plans; and
- Reporting significant risk exposures and control issues, including fraud risks, governance issues and other matters requested by the Audit Committee of the Board of Trustees.

## **INTERNAL AUDIT PLAN**

Annually, the Regional Internal Audit Manager will submit to district school board management and to the Audit Committee of the Board of Trustees an internal audit plan for recommendation to their Board of Trustees for approval. If there are any resource limitations or interim changes, these will be communicated.

The internal audit plan will be developed based on a prioritization of the internal audit universe using a risk based methodology which includes input of district school board management. The Regional Internal Audit Manager will review and adjust the plan as required in response to changes in the risk profile. Any significant deviation from the approved internal audit plan will be communicated through periodic status reports. The Regional Internal Audit Manager or any of his or her team may initiate and conduct any other audit or review deemed necessary for potential illegal acts, fraud, abuse, or misuse of funds. Reasonable notice shall be given to appropriate personnel of intent to audit in their areas except when conditions warrant an unannounced audit.



## REPORTING AND MONITORING

Opportunities for improving internal control may be identified during audits. A written report will be issued by the Regional Internal Audit Manager at the conclusion of each audit and will be distributed according to the school board's requirements. (This could include the head of the audited activity or department, the director of education, the audit committee and the external auditor of the district school board.)

Each report will describe opportunities to strengthen district school board risk, internal control and governance processes and conclude on the adequacy and effectiveness of the processes. The district school board management will provide action plans and timelines to address each opportunity (observation). The regional internal audit team is responsible to perform appropriate follow-up procedures to attest to the completion of action plans. Significant observations will remain in an open issue status until cleared.

When the RIAM concludes that management has accepted a level of risk that may be unacceptable to the organization, the RIAM will discuss the matter with senior management. If the RIAM determines that the matter has not been resolved, they will communicate the matter to Audit Committee of the Board of Trustees.

## QUALITY ASSURANCE

The regional internal audit team will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity and conformance with the International Standards for the Professional Practice of Internal Auditing.

The Regional Internal Audit Manager will communicate to district school board management and the Audit Committee of the Board of Trustees on the internal audit activity's quality assurance and improvement program, including the results of ongoing internal assessments and external assessments conducted as appropriate, usually on a five year cycle.

*Genevieve Segu*

7 June 2023

Regional Internal Audit Manager Signature & Date

*Robertson*

Audit Committee Chair Signature & Date

*Maule June 19/23*

Director of Education Signature & Date





**DEFINITION OF SELECTED TERMS**

Add Value	Value is provided by improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.
Advisory/Consulting Services/Review	Advisory and related client service activities, the nature and scope of which are agreed to with the client and which are intended to add value and improve a school board's governance, risk management and control processes without the regional internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training. These activities can also be described as "review", interchangeably with "consulting".
Assurance	An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Results can be relied upon for supporting informed decision making.
Board of Trustees	A legislative body that that has overall responsibility and accountability for the district school board. For purposes of this Charter, this also includes committees that support the Board of Trustees including the audit committee.
Compliance	Conformity and adherence to policies, plans, procedures, laws, regulations, contracts or other requirements.
Control Environment	<p>The attitude and actions of the Board of Trustees and district board management regarding the significance of control within the organization. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Integrity and ethical values.</li> <li><input type="checkbox"/> Management's philosophy and operating style.</li> <li><input type="checkbox"/> Organizational structure.</li> <li><input type="checkbox"/> Assignment of authority and responsibility.</li> <li><input type="checkbox"/> Human resource policies and practices.</li> <li><input type="checkbox"/> Competence of personnel.</li> </ul>
Control/Internal Controls	<p>Any action taken by district board management and other parties to enhance risk management and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.</p> <p>The system of management controls (business plans, capturing and analyzing data, performance reporting, code of conduct, etc.) that are implemented within a school board to ensure that assets (human, physical and information) are protected and to provide reasonable assurance that its objectives can be achieved.</p>



Control Processes	The policies, procedures and activities that are part of a control framework, designed to ensure that risks are contained within the risk tolerances established by the risk management process.
Fraud	Any illegal acts characterized by deceit, concealment or violation of trust. These acts are not dependent upon the application of threat of violence or of physical force. Frauds are perpetrated by parties and organizations to obtain money, property or services; to avoid payment or loss of services; or to secure personal or business advantage.
Governance	The combination of processes and structures implemented by the Board of Trustees in order to inform, direct, manage and monitor the activities of the organization toward the achievement of its objectives.
In-camera	A separate discussion between members of the Audit Committee and the Regional Internal Audit Manager promoting open communication and discussion of any sensitive issues or problems.
Independence	The freedom from conditions that threaten objectivity or the appearance of objectivity. Such threats to objectivity must be managed at the individual auditor, engagement, functional and organizational levels.
Objectivity	An unbiased mental attitude that allows regional internal auditors to perform engagements in such a manner that they have an honest belief in their work product and that no significant quality compromises are made. Objectivity requires regional internal auditors to not subordinate their judgment on audit matters to that of others.
Risk	Effect of uncertainty on objectives or outcomes.
Risk Management	A structured and disciplined approach aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the risks an organization faces. Overall, it is about choices made under conditions of uncertainty, balanced by acceptable levels of risk.

Decision X Information   

**To:** Audit Committee  
**From:** Narin Kishinchandani, Superintendent, Business Services  
**Re:** **2023-2024 Regional Internal Audit Plan**

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### **Purpose**

To provide information regarding the 2023-24 Regional Internal Audit Plan for review and approval.

### **Link to Strategic Plan**

5.3 "Ensure Responsible Communication" - Improve public relations by providing information that is timely, transparent, and accessible for all.

### **Background**

As per the Ministry of Education's [2016: B10 memo](#), dated May 26, 2016, the Regional Internal Audit Team (RIAT) should conduct a minimum of two engagements at Hastings and Prince Edward District School Board (HPEDSB) during the 2023-2024 school year. In addition, RIAT should perform follow-up procedures on outstanding recommendations from previous audits.

### **Current situation**

The Regional Internal Audit Manager (RIAM) met with Management and discussed changes in the risk environment. The 2023-2024 RIAT plan set out in Appendix A is subject to any unforeseen developments that could potentially impact the priorities of the current audit plan, including RIAT's resource limitations.

As such, the Annual Internal Audit Plan presents a best-case scenario and proposes:

- The initiation or completion of work postponed or initiated in the past year;
- Cyclical follow-up procedures, if required;
- A placeholder to account for Management's requests and potentially changing priorities during the year; and
- One new engagement to the extent practical and feasible.

For 2023-2024, the focus is expected to be on the cyclical, mandated risk assessment, allowing HPEDSB and RIAT to assess the current risk environment and align their work accordingly.

As part of this project, RIAT and Management will assess the relevance of the other projects from the multi-year plan that have not been addressed. These are:

- Critical Positions
- Workforce Planning
- Safe Schools
- Attendance Management
- Business Continuity – Disaster Recovery

### **Recommendation**

**That the Audit Committee recommend the Hastings and Prince Edward District School Board approve the 2023-2024 Regional Internal Audit Plan.**

### **Appendices**

Appendix A – 2023-2024 Regional Internal Audit Plan



<b>Subject:</b>	23-24 Regional Internal Audit Plan
<b>Presented by:</b>	Geneviève Segu, Regional Internal Audit Manager
<b>Meeting Date:</b>	September 20 <sup>th</sup> , 2023
<b>Purpose</b>	
<p>To provide the Audit Committee with the 23-24 Regional Internal Audit Plan for their review and approval.</p> <p>This is in alignment with Ontario Regulation 361/10: Audit Committees (9) Duties of an Audit Committee 3(2&amp;3).</p>	
<b>Content</b>	
<p>As per the Ministry of Education’s 2016: B10 memo, dated May 26, 2016, RIAT should conduct a minimum of two engagements at the Board during 23-24. In addition, RIAT should perform follow-up procedures on outstanding recommendations from previous audits.</p> <p>The RIAM met with Management and discussed changes in the risk environment. The 23-24 RIAT plan set out in Appendix A is subject to unknown factors that could impact the priorities of the current audit plan, including RIAT’s resource limitations.</p> <p>As such, the Annual Internal Audit Plan presents a best-case scenario and proposes:</p> <ul style="list-style-type: none"> <li>• The initiation or completion of work postponed or initiated in the past year;</li> <li>• Cyclical follow-up procedures, if required;</li> <li>• A placeholder to account for Management’s requests and potential changing priorities during the year; and</li> <li>• One new engagement, when and if time and situation allow.</li> </ul> <p>For 23-24, the focus will be on the cyclical, mandated risk assessment, allowing the School Board and RIAT to assess the current risk environment and align their work accordingly. As part of this project, RIAT and Management will assess the relevance of the other projects from the multi-year plan that has not been addressed, as follows:</p> <ul style="list-style-type: none"> <li>• Critical Positions</li> <li>• Workforce Planning</li> <li>• Safe Schools</li> <li>• Attendance Management</li> </ul>	



- Business Continuity – Disaster Recovery

To address resource constraints due to budget limitation, RIAT is also proposing a region-wide audit addressing one of the most concerning risks, special education. The project will use financial and enrolment data available from the Ministry of Education, in addition to a survey to boards, to collect more qualitative information.

Due to resource constraints and other unforeseen circumstances, projects presented in Appendix A as making up the 23-24 Internal Audit Plan may take 18-24 months to complete.

**Multiyear Plan at a glance (year 3/3)**

<b>Multiyear audit Plan</b>			
Critical Positions	2021-22		To discuss
Legislative Compliance		2022-23	
Workforce Planning		2022-23	To discuss
Safe Schools		2022-23	To discuss
Attendance Management			To discuss
Business Continuity – Disaster Recovery			To discuss

The projects highlighted in grey have been completed or initiated. Where indicated the others will be discussed as part of the 23-24 Strategic Risk Assessment.

**Recommendation**

That the Hastings and Prince Edward District School Board Audit Committee recommends for approval the 23-24 Internal Audit Plan as presented in Appendix A.

**Appendix**

Appendix A – 23-24 Internal Audit Plan



**Appendix A - 23-24 Internal Audit Plan**

Status	Audit & Scope	Schedule
In Progress	<p><b>Legislative Compliance</b></p> <p>This is a Board-wide risk assessment of the school board's compliance with relevant legislations and regulations. It further documents all existing internal controls in place for each of the highest risks and enables Management to formally express an informed opinion on its compliance level. This engagement was performed at other school Boards and well received.</p>	<p>Oct 2022 – Terms of Reference sent and approved.</p> <p>Nov 28<sup>th</sup>, 2022 – Informational Presentation made to Senior Executive</p> <p>Winter-Spring 2023 – Executive leadership performed the risk Assessment. Management in process of identifying controls and residual risks.</p>
Cyclical	<p><b>2023-24 Strategic Risk Assessment</b></p> <p>In accordance with the Institute of Internal Auditors Standards, 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.</p>	Winter 2024
New	<p><b>2023-24 Special Education Benchmarking</b></p> <p>Management and AC at each board often ask how they perform compare to others in the province. 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.</p>	Fall 2023



Cyclical	<b>2023-24 Follow-up Procedures</b>  RIAT continues to follow-up on the remaining recommendations, as they come due.	Ongoing
As Needed	<b>2023-24 Management Request Engagement</b>  To cover any projects that may be required to during the school year, where either Management or AC identifies a change in the risk environment.	If requested

Decision  Information

**To:** Audit Committee

**From:** Narin Kishinchandani, Superintendent, Business Services

**Re:** **Audit Committee Annual Report to Board of Trustees**

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### **Purpose**

To share the detailed annual Audit Committee Report for submission to the Hastings and Prince Edward District School Board (HPEDSB) as per [Ontario Regulation 361/10](#).

### **Link to Strategic Plan**

5.3 “Ensure Responsible Communication” - Improve public relations by providing information that is timely, transparent, and accessible for all.

### **Background**

Section 15 of [Ontario Regulation 361/10](#) outlines the requirements for an Audit Committee to report to the Board of Trustees. The Ministry has recently updated the document “Guideline on Audit Committee Reporting” to provide further guidance on the timing and format of the reports.

Accordingly, every year, no later than November 30, the Audit Committee is required to present a report to the Board of Trustees, covering the prior fiscal year.

### **Current situation**

The attached Annual Report to the Board of Trustees for 2022-2023 has been prepared in accordance with Ministry regulations and guidelines and will be presented to the Board of Trustees on October 23, 2023 for information.

### **Appendices**

Appendix A – Annual Report to the Board of Trustees for 2022-2023





**AUDIT COMMITTEE**  
**Annual Report to the Board of Trustees**  
**For the year ended August 31, 2023**

This report summarizes the Audit Committee's (the "Committee's") actions for the year ended August 31, 2023.

**Audit Committee Members**

The Audit Committee consists of the members listed below:

Members whose term ended November 2022:

- Shannon Binder, Outgoing Trustee representative
- Jennifer Cobb, Outgoing Chair
- Bonnie Danes, Outgoing Trustee representative

Current Members:

- Kari Kramp, Trustee representative (appointed November 2022)
- Rachael Prinzen, Trustee representative (appointed November 2022)
- Amanda Robertson, Chair (elected June 2023)
- James Edmonds, Community representative (appointed June 2021)
- Kim Egan, Community representative (reappointed April 2023)

In addition, regular attendees at the committee meetings were:

- Katherine MacIver, Director of Education
- Nick Pfeiffer, Superintendent of Business Services
- Tracey Rodgers, Manager of Finance
- Genevieve Segu, Regional Internal Auditor
- Gord Champagne, Regional Internal Auditor
- Lori Huber, KPMG LLP, New External Auditor (June 2023)
- Jason Becker, BDO, Outgoing External Auditor (September and November 2022)

**Administrative Tasks**

At the beginning of the year and in accordance with recommended good practice, the following administrative tasks were completed:

- Election of committee chair
- Confirmation of meeting schedule for the year

**Meetings**

It was agreed to hold three meetings throughout the year. All meetings have been held as planned. The members in attendance at each meeting were as follows:

Member's Name	September 21, 2022	November 14, 2022	June 7, 2023
Shannon Binder (O)	X	X	
Jennifer Cobb (O)	X	X	
Bonnie Danes (O)	X	X	
Kari Kramp (N)			X
Rachael Prinzen (N)			X
Amanda Robertson (N)			X
James Edmonds (C)	X	X	X
Kim Egan (C)	X	X	

(O) = Outgoing Trustee  
 (N) = Newly elected to the Board in November 2022  
 (C) = Continuing Member

## **Governance**

The Audit Committee operated throughout the fiscal year ending August 31, 2023. 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. Private meetings were held with the external auditor at the beginning of the September and November Closed Audit meetings. Such private meetings were without management present. The outgoing external auditors *BDO LLP* presented the scope and extent of their work to the Committee, which the Committee reviewed and recommended for approval at the September 21, 2022 meeting. The outgoing external auditors confirmed their independence in their letter dated September 21, 2022.

The Committee reviewed and recommended the approval of the annual audited financial statements on November 14, 2022.

Pursuant to utilizing the OECM External Audit Services Master Agreement #2015-241 of prequalified vendors to evaluate, by means of the quick quote process, the Committee recommended that Hastings and Prince Edward District School Board (HPEDSB) award a four-year contract for the provision of external audit services to KPMG LLP during the Committee meeting held September 21, 2022.

## **Internal Auditors**

The relationship with the internal auditors has been satisfactory. Private meetings were held with the internal auditor at the beginning of the September and November Closed Audit meetings. Such private meetings were without management present.

For the 2022-23 school year, the Regional Internal Audit Team completed their report on the Expense Claims Audit that commenced in the 2021-22 school year. They commenced work on Legislative Compliance in the Fall of 2022. There was follow up on Cybersecurity, which was presented at the June 2023 Audit Committee meeting. Additionally, they performed follow-up procedures on previous recommendations for Records and Information Management, Data Management and Back-up, Electronic Records & Information Management, and Budget Planning Development & Control audits that were conducted in prior years. No new risks to HPEDSB were identified in 2022-23 as a result of the audits.

## **Summary of Other Work Performed**

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

- 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 work done during the 2022-23 year;
- Undertook an evaluation of the effectiveness of the internal audit function, including the performance of the Regional Internal Audit Manager and their team;
- Performed a self-assessment.

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Audit Committee Chair

Decision     Information   X  

**To:** Audit Committee

**From:** Narin Kishinchandani, Superintendent, Business Services

**Re:** **Audit Committee Annual Report to the Ministry of Education**

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### **Purpose**

To share the annual Audit Committee Report for submission to the Ministry of Education as per [Ontario Regulation 361/10](#).

### **Link to Strategic Plan**

5.3 "Ensure Responsible Communication" - Improve public relations by providing information that is timely, transparent, and accessible for all.

### **Background**

Under [Ontario Regulation 361/10](#) , there is a requirement for school boards to report to the Ministry of Education:

- A summary of the work performed by the Regional Internal Audit Team (RIAT) for the 2022-2023 school year;
- A summary of the work the RIAT is expected to perform during the school year as per their annual/multi-year audit plan; and
- Any enrolment audits planned by the RIAT for the 2023-24 school year, if applicable.

### **Current situation**

Subject to any updates requested by the Audit Committee to the attached draft, the Audit Committee Report for 2022-2023 will be submitted to the Board of Trustees on October 23, 2023 for information and then submitted to the Ministry, as required, by November 15, 2023.

### **Appendices**

Appendix A – Annual Report to the Ministry of Education for 2022-2023

**AUDIT COMMITTEE**  
**Annual Report to the Board of Trustees**  
**and forwarded to the Ministry of Education**  
**for the year ended August 31, 2023**

**District School Board Name:** Hastings and Prince Edward District School Board

**Fiscal Year:** 2022-2023

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

During the 2022-2023 fiscal year, the Regional Internal Audit Manager attended three meetings of the Audit Committee to discuss and provide updates on the Internal Audit Plan.

During the 2022-2023 fiscal year, the following internal audits were completed by August 31, 2023:

- Expense Claims
- Follow-Up on Cybersecurity
- Follow-Up Procedures on prior audits

During the 2022-2023 fiscal year, the following internal audits were commenced by August 31, 2023:

- Legislative Compliance (audit in progress)

The 2023-2024 internal audit plan was presented to the Audit Committee at its meeting on September 20, 2023 for recommendation to the Board.

There are no enrolment audits planned for 2023-2024 by RIAT.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Audit Committee Chair