

PEEL DISTRICT SCHOOL BOARD

Minutes of a meeting of the Audit Committee of the Peel District School Board, held in the Brampton Room, the H. J. A. Brown Education Centre, 5650 Hurontario Street, Mississauga, Ontario on Thursday, September 26, 2019, at 15:00 hours.

Members present:

Sue Lawton, Chair
Will Davies
David Green
Kim Ogryzek

Member present electronically:

Pradeep Sinha

Also present:

Paula Hatt, Senior Manager, Regional Internal Audit Team
Marcus Sconci, External Auditor, BDO Canada LLP
Josh Trigiani, External Auditor, BDO Canada LLP

Administration:

Jaspal Gill, Associate Director, Operational Support Services (Executive Member)
Tania Alatishe-Charles, Controller, Finance Support Services (Executive Back-up Member)
Peter Joshua, Director of Education
Renée Lucas, Senior Internal Auditor
Kushi Perera, Senior Finance Manager

Marina Amin, Board Reporter

1. Approval of Agenda

AC-18, moved by David Green, that the agenda be approved.

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2. Declaration of Conflict of Interest

There were no declarations of conflict of interest.

3. Minutes of the Audit Committee Meeting, June 13, 2019

AC-19, moved by Will Davies, that the Minutes of the Audit Committee meeting, held June 13, 2019, be approved.

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4. Audit Committee Work Plan

Reviewing the Audit Committee Work Plan, Controller of Finance Support Services, Tania Alatishe-Charles, stated that this is the first meeting of the fiscal year, as required under the Regulation to be held before September 30, 2019. She highlighted the number of Committee meetings scheduled, duties relating to the external auditors and the regional internal auditor. She stated that the external auditors will speak to the Audit Service Plan and upcoming fiscal audit at this meeting. The Annual Report will be brought to the Audit Committee in November 2019.

AC-20, moved by Pradeep Sinha, that the report re Audit Committee Work Plan, be received.

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5. 2019 Audit Service Plan (BDO)

Marcus Sconci and Josh Trigiani from BDO Canada LLP, the Board's external auditors, reviewed the Audit Service Plan for the year ending August 31, 2019.

Marcus Sconci stated that materiality is set at \$27,000,000 based on 1.5% of total prior year expenditures. Fees as agreed for 2019 will be \$68,000 for audit of the financial statements, and \$8,700 for the seven months (March) reporting for the Board. Responding to a question of clarification, Marcus Sconci stated that the 1.5% materiality benchmark is best practice for such organizations and that the fees are consistent for public sector undertakings of this size. In response to a query about materiality threshold for considering triviality, it was noted that anything below 1.5% is considered trivial. On a question about special project audits, Senior Finance Manager, Kushi Perera, advised that the Literacy and Basic Skills audit has been completed, and the Ontario Youth Apprenticeship Program audit will be completed in October 2019. Marcus Sconci explained fraud risk and stated that, in discussions with the management, there were no concerns regarding any area of fraud. Josh Trigiani reviewed audit timelines, significant audit risks and areas of focus. He described the audit strategy, terms of engagement, and independence of the external auditors. Marcus Sconci highlighted some revisions in the reporting format, and clarification of roles and responsibilities of the parties, which the external auditors will speak to in the Auditors Draft Report being presented in November 2019.

AC-21, moved by David Green, that the 2019 Audit Service Plan (BDO) for the year ending August 31, 2019, be received.

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6. Regional Internal Audit Team (RIAT) – Audit Plan Status Update

Paula Hatt, Senior Manager, Regional Internal Audit Team, stated that a new Regional Internal Audit specialist, Rupam Shah, has joined the team. Providing an update report on the status of the four areas of work included in the 2018-2019 RIAT Audit Plan, Paula Hatt indicated that the report on abilities, attendance and wellness audit has been provided to management for comments, and the audit report for records management and privacy will be presented at the next Audit Committee meeting. She stated that the review of logical security access, data backup and recovery management is deferred until 2019-2020, at management's request due to the recent hiring of a new Chief Information Officer. Responding to a member's question of clarification, Paula Hatt advised that the review will be included in the current year's work plan, and efforts will be made to complete it during the current year. She stated that follow-up engagements for the current year will be identified, based on management requests and identified findings.

AC-22, moved by Kim Ogryzek, that the status update report on the Regional Internal Audit Team (RIAT) – Audit Plan, be received.

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7. Internal Audit Log

Senior Internal Auditor, Renée Lucas, stated that the report, brought to the Audit Committee at this time of the year, outlines the work completed to date. She noted that a number of new schools will be added to this year's work plan. Renée Lucas advised that some responses are awaited from audited schools, and some audits are still in progress from the last school year. She explained that the work plan for the current year will be completed, and concerns identified at any school not included in the current work plan, will be investigated and addressed with a partial, if not full, audit.

AC-23, moved by Will Davies, that the report re Internal Audit Log, be received.

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8. Question Period

There were no questions.

9. Adoption of the In Committee Report

AC-24, moved by David Green, that the report of the In Committee Session re: 2020-2022 Regional Internal Audit Plan; Internal Audit Services Summary for Caledon East Public School, Cawthra Park Secondary School, James Bolton Public School, Lancaster Public School, Loughheed Middle School, Madoc Drive Public School, McHugh Public School, Middlebury Public School, Parkway Public School, Queen Elizabeth Senior Public School, Russell D. Barber Public School, Settler's Green Public School, Westacres Public School, Heart Lake Secondary School; School Audits: Summary of Common Audit Findings for Reporting Period September 2018 – August 2019, be received, and that the recommendations contained therein, be approved.

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10. Adjournment

AC-25, moved by Kim Ogryzek, that the meeting adjourn (15:30 hours).

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..... Chair Secretary