

November 15, 2019  
Audit Committee:ma

## 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 Friday, November 15, 2019, at 14:00 hours.

Members present:

David Green  
Will Davies  
Pradeep Sinha

Member present electronically:

Sue Lawton, Chair

Member absent: (apologies received)

Kim Ogryzek

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)  
Antoine Haroun, Chief Information Officer, Learning Technology Support Services  
Peter Joshua, Director of Education  
Renée Lucas, Senior Internal Auditor  
Kushi Perera, Senior Finance Manager

Marina Amin, Board Reporter

### 1. Approval of Agenda

Trustee David Green chaired the meeting, in view of Chair Sue Lawton's attendance electronically. The following change was made to the agenda:

Item 6.1 Draft Consolidated Financial Statements (replacement page circulated)

AC-26, moved by Pradeep Sinha, that the agenda, as amended, be approved.

..... carried  
2/3rds' majority

**2. Declaration of Conflict of Interest**

There were no declarations of conflict of interest.

**3. Minutes of the Audit Committee Meeting, September 26, 2019**

AC-27, moved by Sue Lawton, that the Minutes of the Audit Committee meeting, held September 26, 2019, be approved.

..... carried

**4. Audit Committee Work Plan**

Controller of Finance Support Services, Tania Alatishe-Charles, reviewed the Audit Committee Work Plan which outlines duties related to the Board's financial reporting process, internal controls, regional internal auditor, external auditor, compliance matters, and risk management. She noted that an Annual Report is brought to the Board by the Audit Committee on activities throughout the year, and an Audit Committee Summary Report on work performed by the regional internal auditor is submitted to the Ministry, following approval by the Board.

AC-28, moved by Will Davies, that the report re Audit Committee Work Plan, be received.

..... carried

**5. Draft Consolidated Financial Statements**

Controller Alatishe-Charles thanked Finance Support Services staff and the external auditors for their work on the financial statements. She explained that the revised page relates to a change in the expense budget for school generated funds.

Reviewing the draft Consolidated Financial Statements, Controller Alatishe-Charles provided information regarding the consolidated statement of financial position, consolidated statement of operations and accumulated expenses, statement of change in net debt and cash flow. She highlighted: variances in cash and cash equivalents over last year with respect to Ministry hold back of grant payments and lower capital grants receivable resulted in a variance of about \$34 million; temporary borrowings related to the Educational Development Charge; \$1.3 million refund from ETFO Trust this year as a result of last year's true up for benefits; increased transportation expenses due to carrier contract cost; school renewal funding deferred to future years. Controller Alatishe-Charles reported a reduction in deferred capital contribution of approximately \$22 million compared to last year as a result of lower capital expenditures and a reduction in prepaid expenses due to the transition of services from Green Shield Canada to Employee Life and Health Trusts (ELHT).

**5. Draft Consolidated Financial Statements (Continued)**

In response to a member's question as to how Ministry funding impacts revenue, Controller Alatishe-Charles explained that increased class size will impact teacher requirement, in turn impacting revenues received to fund teachers' salaries. Associate Director of Operational Support Services, Jaspal Gill, explained that most of the impact will be seen in next year's financial statements; however, a preliminary review indicates a net reduction of \$28 million to the Board. Responding to a further query about the future impact of the new asset retirement obligation, Tania Alatishe-Charles, reported that a Ministry working group is reviewing impact and process for school boards. It was also confirmed that there are no lawsuits with the Board.

AC-29, moved by Pradeep Sinha, that the Audit Committee recommends to the Board:

That, the Draft Consolidated Financial Statements for the Peel District School Board for the year ended August 31, 2019, be approved. (APPENDIX I)\*\*

..... carried

**6. Compliance Report for Fiscal Year 2018-2019**

Associate Director of Operational Support Services, Jaspal Gill stated that the letter signed by the Director of Education, Peter Joshua, confirms the Peel District School Board's compliance with current federal and provincial acts, regulations, and statutes.

AC-30, moved by Will Davies, that the Compliance Report for Fiscal Year 2018-2019, be received.

..... carried

**7. Audit Committee Report for 2018-2019 to the Ministry of Education**

Controller Alatishe-Charles stated that, in accordance with Ontario Regulation 361/10, school boards must report annually to the Ministry of Education on the Audit Committees' activities. She stated that the report summarizes the engagements brought forward and reviewed, and noted that during 2018-2019, Transportation, Repairs and Maintenance (follow-up), and Risk Assessment audit engagements were presented. The report will be submitted to the Ministry by January 15, 2020.

AC-31, moved by Pradeep Sinha, that the Audit Committee Report for 2018-2019, be approved, and submitted by the Board to the Ministry of Education. (APPENDIX II)

..... carried

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\*\*Note: Appendix I is attached to the File Copy of the Minutes.

**8. Regional Internal Audit Team (RIAT) Audit Plan Status Update**

Paula Hatt, Senior Manager, Regional Internal Audit Team, provided an update report on the Audit Plan status of engagements for 2018-2019 and 2019-2020. She reported that the follow-up engagement review on logical Security Access, Data Backup and Recovery Management which was deferred in view of the appointment of a new Chief Information Officer, will be scheduled in the immediate future. She advised that Programming and Staff Utilization, and Special Education review engagements will be determined once all audit plans for the region have been finalized. Paula Hatt indicated that the Regional Internal Audit Team (RIAT) is in the process of compiling a list of audit findings from reports submitted to the Board, and once completed, RIAT will reach out to management for a status update.

AC-32, moved by Sue Lawton, that the status update report re Regional Internal Audit Team (RIAT) Audit Plan, be received.

..... carried

**9. Question Period**

There were no questions.

**10. In Committee Session**

AC-33, moved by Will Davies that the Audit Committee move into In Committee Session (14:30 hours).

..... carried

The Committee moved back into Open Session on a motion by Will Davies (15:25 hours)

**11. Adoption of the In Committee Report**

AC-34 moved by Pradeep Sinha, that the report of the In Committee Session re: Year-End Communication (BDO Canada LLP); Annual Report to the Board of Trustees for 2018-2019); Regional Internal Audit Team (RIAT) – Abilities, Attendance and Wellness Report; Regional Internal Audit Team (RIAT) – Records Management Report (KPMG) be received, and that the recommendations contained therein, be approved.

..... carried

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**12. Adjournment**

AC-35, moved by Will Davies that the meeting adjourn (15:30 hours).

..... carried

..... Chair ..... Secretary