

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 Tuesday, November 15, 2016, at 14:30 hours.

Members present:

Sue Lawton, Chair
John Donnelly
Wayne Howard
Suzanne Nurse
Harkirat Singh

Also present:

Pina Colavecchia, External Auditor, Deloitte LLP
David Johnston, Senior Manager, Regional Internal Audit Team
Steve Stewart, External Auditor, Deloitte LLP

Administration:

Jaspal Gill, Associate Director, Operational Support Services (Executive Member)
Tania Alatishe-Charles, Controller, Finance Support Services (Executive Backup Member)
Jeff deFreitas, Coordinating Superintendent
Renée Lucas, Senior Internal Auditor
Kushi Perera, Manager, Accounting
Tony Pontes, Director of Education

Nicole Fernandes, Board Reporter

1. **Approval of Agenda**

AC-23, moved by Wayne Howard, that the agenda, be approved.

..... carried

2. **Declaration of Conflict of Interest**

There were no declarations of conflict of interest.

3. **Authorization of Member's Absence**

In accordance with Section 8 of Regulation 361/10, an Audit Committee member must be authorized by resolution at the first committee meeting following their absence from two consecutive regular committee meetings. John Donnelly was absent from the June 2, 2016 and the September 28, 2016 Audit Committee meetings.

3. Authorization of Member's Absence (Continued)

AC-24, moved by Harkirat Singh, that John Donnelly's absence from two consecutive meetings of the Audit Committee, be authorized.

..... carried

4. Minutes of the Audit Committee Meeting, September 28, 2016

AC-25, moved by Suzanne Nurse, that the Minutes of the Audit Committee meeting, held September 28, 2016, be approved.

..... carried

5. Audit Committee Work Plan

Reporting that this meeting will cover major areas in the Audit Committee Work Plan, Controller of Finance Support Services Tania Alatishe-Charles, highlighted sections in the Plan regarding duties related to financial reporting process and internal controls, which include review of the financial statements and the Management Letter from Deloitte LLP. She stated that reports will be provided by the Regional Internal Audit Team, and by the external auditors on their Year-End Communication. Other areas in the Work Plan covered in this meeting are the Compliance Letter, and Annual Reports to the Ministry on the work of the Regional Internal Audit Team (RIAT) and of the Audit Committee.

AC-26, moved by Wayne Howard, that the report re Audit Committee Work Plan, be received.

..... carried

6. Draft Consolidated Financial Statements

Controller Alatishe-Charles thanked staff from Finance Support Services for their work during the audit process. She advised that enrolment and labour issues were the main drivers for variances between 2016 Actual and 2015 Actual amounts.

Reviewing the draft Consolidated Financial Statements, Controller Alatishe-Charles provided information regarding the consolidated statement of financial position, and the consolidated statement of operations and accumulated expenses. She highlighted: variances in cash and cash equivalents due to July 2016 timing of funding received and temporary borrowings due to the Educational Development Charge; school renewal funding deferred to future years; withdrawals of \$11 million due to early cash out of retirement gratuity as permitted by the Ministry; new debenture issue of \$42.5 million; increase in Qualification and Experience grants; increase in core technology grants. Referring to the notes to the consolidated financial statements, a member asked questions of clarification relating to retirement and other employee benefits, benefits plan future changes, net debenture debt, and repayment of the 55 School Board Trust funding.

6. Draft Consolidated Financial Statements (Continued)

AC-27, moved by Harkirat Singh:

That, the Draft Consolidated Financial Statements for the Peel District School Board for the year ended August 31, 2016, be received and that the Consolidated Financial Statements be submitted to the Board for approval.

..... carried

7. Compliance Report for Fiscal Year 2015-2016

AC-28, moved by Suzanne Nurse, that the Compliance Report for the fiscal year 2015-2016, be received.

..... carried

8. Audit Committee Report for 2015-2016 to the Ministry of Education

Tania Alatishe-Charles noted that the Audit Committee Report provides a summary of the internal audit work done by the RIAT, as well as information that an enrolment audit is not expected to be performed, based on the multi-year regional internal audit plan for 2013-2016.

AC-29, moved by Wayne Howard, that the Audit Committee recommends to the Board:

That, the Audit Committee Report for 2015-2016, as amended, be submitted by the Board to the Ministry of Education. (APPENDIX I)

..... carried

9. Regional Internal Audit Team – Status Update

David Johnston reviewed the information contained in the report regarding the regional internal audit of capital planning, which is scheduled to commence in November 2016 for completion in January 2017. He noted that the 2017-2019 multi-year regional internal audit plan and risk assessment is in progress, for completion in December 2016. This will entail assessments of risk in conjunction with the administration, following which a set of engagements will be developed and brought to the committee for information.

AC-30, moved by Wayne Howard, that the status update report re Regional Internal Audit Team, be received.

..... carried

10. Internal Audit Services Summary

Reviewing the summary report, Senior Internal Auditor, Renée Lucas, noted that the internal audits of Eldorado and Floradale Public Schools were completed. She reported that the internal auditors were also involved with the Ministry's enrolment audit, and completed some follow-up internal audits and audits requested. In response to a member's questions of clarification, Renée Lucas confirmed that the Ministry regularly conducts audits of enrolment at school boards, and that the additional work on the enrolment audit is not expected to affect the internal audit plan. Replying to Chair Lawton's question, Director of Education, Tony Pontes, stated that the Ministry does not provide additional funding to cover costs of school board staff helping with the enrolment audit.

AC-31, moved by Harkirat Singh, that the Internal Audit Services Summary report for Eldorado and Floradale Public Schools, be received.

..... carried

11. Question Period

There were no questions.

12. Further Business

1. Retirement of Members

Chair Lawton noted that Wayne Howard and John Donnelly are at the end of their term, and that this is their last meeting of the Audit Committee. She expressed appreciation for their commitment of time and service on the Committee, which has helped trustees to be more confident with their involvement on the Committee. Chair Lawton reported that the Board will be advertising for two new community members to sit on the Audit Committee. Director Pontes thanked Wayne Howard and John Donnelly for their contribution and participation on the Committee during the past six years, and for the service to the Board and to families of Peel. Wayne Howard and John Donnelly expressed appreciation for the assistance provided by staff, trustees, regional internal auditors and external auditors during their term on the Committee.

13. Adoption of the In Committee Report

AC-32, moved by Harkirat Singh, that the report of the In Committee Session re Deloitte LLP – Year-end Communication, and Annual Report to the Board of Trustees for 2015-2016, be received, and that the recommendations contained therein, be approved.

..... carried

November 15, 2016
Audit Committee:nf

14. Adjournment

AC-33, moved by Wayne Howard, that the meeting adjourn (15:15 hours).

..... carried

Note: Following adjournment, Audit Committee held private discussions with the External Auditors and the Regional Internal Auditors.

..... Chair Secretary