

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, November 15, 2018, at 14:00 hours.

Members present:

Sue Lawton, Chair
Kim Ogryzek
Harkirat Singh
Pradeep Sinha

Member absent (apologies received):

David Green

Also present:

Pina Colavecchia, External Auditor, Deloitte
Paula Hatt, Senior Manager, Regional Internal Audit Team
Steve Stewart, External Auditor, Deloitte

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, Manager, Accounting

Marina Amin, Board Reporter

1. **Approval of Agenda**

The following change was made to the agenda:

Item 6.1 Draft Consolidated Financial Statements (replacement pages circulated)

AC-19, 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 28, 2018

AC-20, moved by Harkirat Singh, that the Minutes of the Audit Committee meeting, held September 28, 2018, 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 and an Audit Committee Summary Report is submitted to the Ministry following approval by the Board.

In response to a member's question, Associate Director of Operational Support Services, Jaspal Gill, explained that the different types of insurance coverage taken by the Board are outlined in the Board's consolidated financial statements, and are in line with most of the other school boards in the province.

AC-21, moved by Kim Ogryzek, 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 pages relate to Remedy Agreements signed with various union groups as a result of the Putting Students First Act of 2012, and that payments in this regard were deferred to later in the year.

Reviewing the draft consolidated financial statements, Tania Alatishe-Charles stated that enrolment and labour contract provisions are key items that impact the budget. Clarifying information in the statements of financial assets and liabilities, she highlighted the positive impact resulting from an enrolment increase of approximately 818 students. She noted increased costs due to contract settlements, that included a salary increase of 1.5%, a lump sum payment of 0.5%, and remedy payments of \$10.6 million this year. She also noted that Local Priority Funding through union negotiation amounted to \$15.5 million. Controller Alatishe-Charles explained data in the statements of revenue and expenses, changes in net debt and statement of cash flows, noting that \$7 million in Education Programs Other is related to revenue agreements. She reviewed the notes to the financial statements, including: transfer of employee benefits to the Benefits Trust Fund; partnership in STOPR Transportation Consortium, and significant costs for transporting special needs students; education development charges; net debenture debt.

5. Draft Consolidated Financial Statements (Continued)

Responding to a member's question of clarification regarding increase in transportation expenses, Associate Director Gill advised that transportation contracts had expired last year, and the new contracts, secured through the Request For Proposal process, increased costs by almost 15%. He explained that this increase is in line with other school boards, and is the result of bus companies having to offer higher wages, approximately \$19-\$21 per hour, to attract bus drivers.

AC-22, 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, 2018, be approved. (APPENDIX I)**

..... carried

6. Compliance Report for Fiscal Year 2017-2018

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-23, moved by Harkirat Singh, that the Compliance Report for Fiscal Year 2017-2018, be received.

..... carried

7. Audit Committee Report for 2017-2018 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 Committee's activities, and include a summary of internal audit work done by the Regional Internal Audit Team, as well as plans for an enrolment audit, if any. The report indicates that the Broader Public Sector Procurement Follow-up Audit, Capital Planning, and Managing Labour Relations Audits were completed and presented, and that the Transportation Audit was completed, but not presented.

AC-24, moved by Kim Ogryzek, that the Audit Committee Report for 2017-2018, be approved, and submitted by the Board to the Ministry of Education. (APPENDIX II)

..... carried

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

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

Reviewing the report, Paula Hatt, Senior Manager, Regional Internal Audit Team, provided an update on the Audit Plan status of engagements for 2017-2018, which she noted, were completed and presented to the Audit Committee. Regarding repairs and maintenance audits, Paula Hatt stated that management comments to RIAT's report have been received, and the report will be finalized for presentation at the next Audit Committee Meeting. With respect to the 2018-2019 Audit Plan, she indicated that the audit for Abilities, Attendance and Wellness is currently in the preliminary stages of planning, and this engagement will be outsourced to Deloitte LLP. The Records Management and Privacy audit planned for early spring 2019 will be outsourced through a Request for Proposal, and will be conducted at multiple school boards. Paula Hatt spoke about a three-year multi audit plan for Risk Assessment, and provided details about the planning and fieldwork for this engagement.

AC-25, moved by Pradeep Sinha, that the status update report re Regional Internal Audit Team (RIAT) Audit Plan, be received.

..... carried

9. Internal Audit Services Summary

Senior Internal Auditor, Renée Lucas, stated that audits were completed for the following schools in the early part of the school year, and minor deficient findings were identified. She noted that the transfer to School Cash Online has gone well, and schools are following effective practices. Renée Lucas advised that school audits are on schedule and will be completed this year, as per the Audit Plan.

AC-26, moved by Harkirat Singh, that the Internal Audit Services summary for the following schools, be received:

- a) Dunrankin Drive Public School
- b) Red Willow Public School
- c) Robert J. Lee Public School
- d) Streetsville Secondary School
- e) Thorn Lodge Public School
- f) Thorndale Public School
- g) T.L. Kennedy Secondary School

..... carried

10. Question Period

There were no questions.

11. Adoption of the In Committee Report

AC-27, moved by Pradeep Sinha, that the report of the In Committee Session re: Minutes of the Audit Committee (In Committee) Meeting, September 28, 2018; Year-End Communication (Deloitte), and Annual Report to the Board of Trustees for 2017-2018, be received, and that the recommendations contained therein, be approved.

..... carried

12. Adjournment

AC-28, moved by Kim Ogryzek that the meeting adjourn (14:45 hours).

..... carried

..... Chair Secretary