

AUDIT COMMITTEE MEETING MINUTES – SEPTEMBER 13, 2021

PUBLIC SESSION

Roll Call:

Administrative Staff Present:

Committee Members:	Staff:
G. Elliott, Trustee L. French, Trustee (Chair) S. Ruttan, Trustee R. Richard, External Member C. Innocente, External Member	K. Burra, Director of Education C. Young, Superintendent of Business Services M. Baumann, Manager of Financial Services
Invitees:	Recorder & Producer:
L. Huber, KPMG External Auditor P. L’Orfano, Internal Auditor G. Segu, Internal Auditor	D. Burns, Administrative Assistant K. Boulanger, Producer

Trustee French began the meeting with opening remarks. Due to COVID-19 protocols this meeting is only taking place virtually. Committee members are all joining us virtually and include myself Trustee French, Trustees Suzanne Ruttan and Garrett Elliott, external audit committee members Christine Innocente and Roger Richard, Limestone’s external auditor Lori Huber from KPMG, Pasquale L’Orfano and Genevieve Segu, Regional Internal Audit Team, as well as Director of Education Burra, Superintendent of Business Young and Manager of Financial Services Baumann.

The meeting began with the Indigenous Acknowledgement of Territory: “The Limestone District School Board is situated on the traditional territories of the Anishinaabe and Haudenosaunee. We acknowledge their enduring presence on this land, as well as the presence of Métis, Inuit, and other First Nations from across Turtle Island. We honour their cultures and celebrate their commitment to this land. And I would ask that we please

reflect on the consequences of our past action and consider how each of us in the full spirit of reconciliation and collaboration can learn about our neighbours and the treaties of these territories.”

1. ADOPTION OF THE AGENDA

Trustee French called for any additions to the agenda. No additions were made.

MOTION: *That the Agenda as presented be accepted.*

MOVED BY: *R. Richard. Carried.*

The meeting was called to order at 5:36 pm.

2. DECLARATION OF CONFLICTIONS OF INTEREST

Trustee Elliott declared a conflict as his wife is an employee of the Board and a member of ETFO.

3. ACTION ITEM

3.1. Election of Committee Chair

The Chair of the Audit Committee shall be a member of the Committee, elected by the members of the Audit Committee at the first meeting of the committee in each fiscal year – Board Policy 10 section 5.43.

Director Burra called for nominations for position of Chair of the Audit Committee for the 2021-2022 school year.

Trustee Ruttan nominated Trustee French.

Trustee French accepted the nomination.

Director Burra called a further two times for any other nominations for Chair of Audit Committee and after hearing no further nominations, Trustee French was elected as the chair for the 2021-2022 school year.

4. REPORTS

4.1 2020-21 Annual Report on internal audit activities

G. Segu briefly summarized the 2020-21 annual report on internal audit activities by stating that this report was very similar to the one presented in September 2020. It contains the “Charter”, formerly known as the “Mandate, ” the purpose of the Regional Internal Audit

Team (“RIAT”), a confirmation of RIAT’s independence, a description of the organizational structure, and staffing and professional development. As well as an update on RIAT’s quality assurance program and finally a summary of activities from 2020, both from a region wide perspective as we oversee the internal audits of nine district school boards in the Ontario East Region as well as for Limestone District School Board (LDSB) specifically.

4.2 Regional Internal Audit Charter

G. Segu stated that the changes in the Charter that RIAT is bringing forward tonight actually reflect the recommendations that were made by RIAT’s independent contractor for quality assurance review and LDSB. Globally the report notes that RIAT is generally in conformance with the standards from the Institute of Internal Auditors. The findings in the report are minor and mostly relate to a few back-office functions and processes, and so that means that RIAT’s operations, namely the way we conduct audits are in conformance. Going back to the Charter, in addition to the changes that are required under the quality assurance review, we are proposing a change in the title of the document, from Mandate to Charter. This word reflects the professional vocabulary used in the internal audit sector and that is why we are bringing it forward. There is a recommendation that RIAT offer audit committee chairs to have a short meeting prior to each audit committee meeting to go through RIAT items on the agenda or other issues. As well as communicate to the audit committee chairs the requirement to have a regular, private in-camera session at audit committee meetings without the presence of management between the audit committee members and the RIAT as an automatic, standard agenda item, and, we are in place, to exercise this. This has already been implemented at LDSB in 2020-21. The standing item is also in place at another 2/9 boards but is not exercised. RIAT is to reach out to each audit committee chair to seek input into the annual and multiyear plan. This has already been implemented in 2020-21 for the upcoming 2021-22 plan. Chair French asked for any questions on the report. Superintendent Young noted that at the end of the Private Session our audit committee members and internal and external auditors would have a chance to have a private conversation without management present.

MOTION: that the Limestone District School Board Audit Committee approves the 2021-22 Regional Internal Audit Team Charter.

MOVED BY: C. Innocente, seconded by Trustee Elliott. Carried.

4.3 Quality Assurance Report

G. Segu presented the quality assurance report and stated that RIAT was generally in conformance with the standard established. The independent reviewer observed the number of successful internal audit practices, such as training of audit committee members, and RIAT will continue to build on these as new members come aboard. RIAT was instrumental in helping the organization establish the foundation for a Strategic Risk Management framework thus contributing to the achievement of key strategic organizational objectives. Staff are viewed by Senior Management and audit committee members as very competent, professional, courteous, and good listeners. Surveys conducted by the Institute of Internal Audits (“IIA”) showed very positive results for 5 out of the 6 groups surveyed. Of mention was the fact that RIAT has a great follow-up process established, and a concerted effort to clear out old outstanding recommendations that were either obsolete or no longer relevant. Audit reports were noted to be concise, clear and of very good quality. The use of an audit software package for engagements and follow-up (Pentana); and good use of report templates, planning checklists, and Internal Audit Manual has been done very well by RIAT. When presenting the Risk Based Audit Plan (“RBAP”) to the audit committee, the Regional Internal Audit Manager (“RIAM”) must communicate the residual risks stemming from the gap between the high-risk auditable areas identified in the process and the actual engagements that can be done, based on the available resources. This is the distinction between a Risk-Based Audit Plan, and a Resource-Based Audit Plan. The gap represents a risk due to resource limitations and this must be communicated to the audit committee. Increase access and direct interactions between RIAM and all audit committees through a one-on-one sit-down or virtual meetings between audit committee chair and RIAM - prior to each audit committee meeting - to go through internal audit items on agenda or other issues. As well to have regular, private in-camera sessions at the audit committee meetings – without the presence of management - between the audit committee members and the RIAM i.e., automatic, standard agenda item – and this would occur, whether you have something to say, or not. The organizational chart must indicate functional reporting relationship of RIAT to the audit committee. RIAM will update the organizational chart to reflect the functional reporting relationship to the audit committee. RIAT will continue training the audit committee members on the regulations in emerging risk, and reference the frameworks that are used during audits, so that as the audits are completed, that will be brought forward. Attachment A presents the step-by-step standards where the internal auditors are generally compliant, partially compliant, and not compliant. G. Segu answered questions on the quality assurance report.

5. OTHER BUSINESS

None at this time.

Limestone District School Board

Limestone District School Board is situated on traditional territories of the Anishinaabe & Haudenosaunee.

SEE YOURSELF IN LIMESTONE

6. FUTURE MEETING DATES

Monday November 8, 2021

Monday May 2, 2022

PRIVATE SESSION 6 PM

Roll Call:

Administrative Staff Present:

Committee Members:	Staff:
G. Elliott, Trustee L. French, Trustee (Chair) S. Ruttan, Trustee R. Richard, External Member C. Innocente, External Member	K. Burra, Director of Education C. Young, Superintendent of Business Services M. Baumann, Manager of Financial Services
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1. PRIVATE SESSION

MOTION: *To move into Private Session.*

MOVED BY: *Trustee Elliott, seconded by R. Richard. Carried.*

2. REPORTS FOR INFORMATION

2.1 Regional Internal Audit Update

G. Segu presented an update on the regional internal audit.

2.2 Cybersecurity Framework Final Report

P. L’Orfano briefly shared the cybersecurity final report.

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2.3 Cybersecurity Risk Report Ontario East School Boards

G. Segu gave an overview of the risk report.

2.4 Multi-Year internal audit plan

G. Segu presented the multi-year plan.

MOTION: *That the Limestone District School Board Audit Committee approves the Multi-Year 2021-2024 Internal Audit Plan.*

MOVED BY: *R. Richard, seconded by Trustee Elliott. Carried.*

2.5 Internal Audit Planning-COVID Cost & Funding Review

G. Segu presented the COVID cost and funding review.

2.6 2021-2022 Regional Internal Audit Plan

G. Segu presented the 2021-2022 regional internal audit plan.

MOTION: *That the Limestone District School Board Audit Committee approves the Regional Internal Audit Plan.*

MOVED BY: *Trustee Ruttan, seconded by R. Richard. Carried.*

2.7 Appendix 3 – 2021-2022 RIAT Plan

G. Segu gave a brief overview of the 2021-2022 RIAT plan.

2.8 Outstanding Recommendations for September 2021

P. L’Orfano gave a brief overview of the outstanding recommendations for September 2021.

3. KPMG – INTERIM YEAR END AUDIT (VERBAL UPDATE)

L. Huber, external auditor gave a verbal update on the progress of the interim audit for year ended August 31, 2021.

4. COMMITTEE TO RISE AND REPORT

The Committee will rise and report to the full Board of Trustees in Private Session and to the public at the next Board meeting.

5. ADJOURNMENT

MOTION: *To adjourn.*

MOVED BY: *Trustee Elliott . Carried.*

The meeting adjourned at 6:58 pm.