

# AGENDA – AUDIT COMMITTEE

**Monday, September 11, 2023 – 5:30 PM**

**Limestone Education Centre**

**220 Portsmouth Avenue, Kingston, ON**

**Virtual Link: <https://bit.ly/LDSBAuditMtgSept112023>**

## **PUBLIC MEETING – 5:30 PM**

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.”

### **1. CALL TO ORDER**

### **2. ADOPTION OF AGENDA**

### **3. DECLARATION OF CONFLICT OF INTEREST**

### **4. ACTION ITEM**

#### **4.1 REGIONAL INTERNAL AUDIT PLAN, G. SEGU (PAGES 3-5)**

***MOTION:** That the Limestone District School Board Audit Committee approve the 2023-2024 Internal Audit Plan.*

### **5. FOR INFORMATION**

#### **5.1 2023-24 ANNUAL REPORT ON INTERNAL AUDIT ACTIVITIES, G. SEGU & P. L'ORFANO (PAGES 6-11)**

#### **5.2 REGIONAL INTERNAL AUDIT CHARTER, G. SEGU & P. L'ORFANO (PAGES 12-17)**

## **6. OTHER BUSINESS**

## **7. FUTURE MEETING DATES**

**MONDAY, NOVEMBER 6, 2023**

**MONDAY, MAY 6, 2024**

## **PRIVATE SESSION - 6 PM**

\*In accordance with the Education Act, Section 207(2) a meeting of a committee of a board including a committee of the whole board, may be closed to the public when the subject under consideration involves,

- a) The security of the property of the board;
- b) The disclosure of intimate, personal or financial information in respect of a meeting of the board or committee, an employee or prospective employee of the board or a pupil or his or her parent or guardian;
- c) The acquisition or disposal of a school site;
- d) Decisions in respect of negotiations with employee of the board; or
- e) Litigation affecting the board.

## **8. MOTION TO MOVE INTO PRIVATE SESSION**

## **9. FOR INFORMATION**

**9.1 FRAUD POLICY REVIEW FINAL REPORT, G. SEGU & P. L'ORFANO (PAGES 18-33)**

**9.2 KPMG – INTERIM/YEAR END AUDIT, L. HUBER (VERBAL UPDATE)**

## **10. ADJOURNMENT**

## **11. PRIVATE DISCUSSION BETWEEN AUDITORS AND AUDIT COMMITTEE**

(The committee will excuse staff in order to provide for a private conversation with both the external and internal auditors)

<b>Subject:</b>	23-24 Regional Internal Audit Plan
<b>Presented by:</b>	Geneviève Segu, Regional Internal Audit Manager
<b>Meeting Date:</b>	September 11 <sup>th</sup> , 2023
<b>Purpose</b>	
<p>To provide the Audit Committee with the 23-24 Regional Internal Audit Plan for their review and approval.</p> <p>This is in alignment with Ontario Regulation 361/10: Audit Committees (9) Duties of an Audit Committee 3(2&amp;3).</p>	
<b>Content</b>	
<p>As per the Ministry of Education’s 2016: B10 memo, dated May 26, 2016, RIAT should conduct a minimum of two engagements at the Board during 23-24. In addition, RIAT should perform follow-up procedures on outstanding recommendations from previous audits.</p> <p>The RIAM met with Management and discussed changes in the risk environment. The 23-24 RIAT plan set out in Appendix 2 is subject to unknown factors that could impact the priorities of the current audit plan, including RIAT’s resource limitations.</p> <p>As such, the Annual Internal Audit Plan presents a best-case scenario and proposes:</p> <ul style="list-style-type: none"> <li>• The initiation or completion of work postponed or initiated in the past year;</li> <li>• Cyclical follow-up procedures, if required;</li> <li>• A placeholder to account for Management’s requests and potential changing priorities during the year; and</li> <li>• One new engagement, when and if time and situation allow.</li> </ul> <p>For 23-24, the focus will be on the cyclical, mandated risk assessment, allowing the School Board and RIAT to assess the current risk environment and align their work accordingly. As part of this project, RIAT and Management will assess the relevance of the other projects from the multi-year plan that has not been addressed, as follows:</p> <ul style="list-style-type: none"> <li>• Payroll Data Analytics</li> <li>• Attendance Management</li> <li>• Business Continuity Planning</li> </ul>	

To address resource constraints due to budget limitation, RIAT is also proposing a region-wide audit addressing one of the most concerning risks, special education. The project will use financial and enrolment data available from the Ministry of Education, in addition to a survey to boards, to collect more qualitative information.

Due to resource constraints and other unforeseen circumstances, projects presented in Appendix A as making up the 23-24 Internal Audit Plan may take 18-24 months to complete.

**Multiyear Plan at a glance (year 3/3)**

<b>Multiyear audit Plan</b>			
Critical Positions	2021-22		
Safe Schools	2021-22	→ 2022-23	
Payroll Data Analytics		2022-23	→ To discuss
School Generated Fraud Flags Identification		2022-23	
Attendance Management			To discuss
Business Continuity – Disaster Recovery			To discuss

The projects highlighted in grey have been completed. The others will be discussed as part of the 23-24 Strategic Risk Assessment.

**Recommendation**

That the Limestone District School Board Audit Committee recommends for approval the 23-24 Internal Audit Plan as presented in Appendix A.

**Appendices**

Appendix A – 23-24 Internal Audit Plan

**Appendix A - 23-24 Internal Audit Plan**

Status	Audit & Scope	Schedule
Completed	<p><b>2022-23 Fraud Policy Benchmarking</b></p> <p>This engagement focuses benchmarking the Board’s fraud policies and procedures against other school boards and public sector organizations in the province to identify any gaps and ultimately improvements to strengthen the Board’s processes.</p>	Report
Cyclical	<p><b>2023-24 Strategic Risk Assessment</b></p> <p>In accordance with the Institute of Internal Auditors Standards, RIAT is mandated top perform a cyclical risk assessment with the goal to align their future work with the results. In doing so, Management also gains a deeper understanding and a formalization of their risks at the regional and local level.</p>	Winter 2024
New	<p><b>2023-24 Special Education Benchmarking</b></p> <p>Management and AC at each board often ask how they perform compare to others in the province. The purpose of this project is to share comparative metrics with participating Boards to highlight potential differences and outliers that could be used to investigate and report on.</p>	Fall 2023
As Needed	<p><b>2023-24 Management Request Engagement</b></p> <p>To cover any projects that may be required to during the school year, where either Management or AC identifies a change in the risk environment.</p>	If requested

<b>Subject:</b>	2023-24 Annual Report on Internal Audit Activities
<b>Presented by:</b>	Geneviève Segu, Regional Internal Audit Manager Pasquale L'orfano, Internal Auditor
<b>Meeting Date:</b>	September 11 <sup>th</sup> , 2023

## Introduction

The Ontario East Regional Internal Audit Team (RIAT)'s work is regulated and guided by the following three main documents:

- Ontario Regulation 361/10: Audit Committees<sup>1</sup> (The Regulation);
- The Regional Internal Audit Charter (The Charter); and
- The International Professional Practices Framework (The Framework) from the Institute of Internal Auditors (IIA).

In accordance with these documents, the RIAM is pleased to present the Ontario-East RIAT's Annual Activities Report (the Report) to the Audit Committee. The contents of the Report include essential requirements under the Regulation, the Charter and the Framework, such as:

- A confirmation of the independence of the audit activities;
- A description of its function;
- A confirmation of conformance with the Code of Ethics; and
- A summary of the 2022-23 activities.

## Charter & Purpose

The charter defines the purpose of the RIAT to "provide independent, objective assurance and consulting services designed to add value and improve the district school boards' operations in the Ontario East region." As per Ministry guidelines, Regional Internal Audit Teams across the province have developed an internal audit charter, posted on their Host Board's website.

The Internal Audit Charter is appended to this memorandum for your review and approval (see Appendix 1).

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<sup>1</sup> The full regulation is available at the following link: <https://www.ontario.ca/laws/regulation/100361>

## Independence

Independence is an essential component to building public trust and preserving objectivity and integrity associated with the internal audit function. To ensure this independence, RIAT reports:

- Functionally to each of the nine Audit Committees of the Ontario East region<sup>2</sup>; and
- Administratively to the Senior Business Official of the host board, Ottawa Catholic School Board.

As required under the Charter, and in alignment with the Framework, the RIAT staff henceforth confirm that they are not aware of any relationships with the School Board that may be perceived to bear on their independence.

## Organizational Structure, Staffing and Professional Development

The RIAT consists of a team of two Internal Auditors, one Senior Internal Auditor and one Internal Audit Manager. All Auditors report directly to the Regional Internal Audit Manager.

Each Auditor is responsible for audits at three of the nine school boards, as follows:

- Gord Champagne: Hastings & Prince Edward DSB, Ottawa-Carleton DSB, Renfrew County DSB;
- Pasquale L'orfano: Limestone DSB, Ottawa Catholic SB, Upper Canada DSB; and
- Portia Marcaida: Algonquin Lakeshore Catholic DSB, Catholic DSB of Eastern Ontario, Renfrew County Catholic DSB.

We are pleased to report that all positions within the team are currently filled with qualified staff. The professional designations held by the RIAT include:

- Chartered Professional Accountant (CMA and CGA);
- Certified Internal Auditor (CIA);
- Certified Information System Auditor (CISA); and
- Certification in Risk Management Assurance (CRMA).

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<sup>2</sup> The nine school boards in the Ontario East region are: Algonquin Lakeshore Catholic DSB, Catholic DSB of Eastern Ontario, Hastings & Prince Edward DSB, Limestone DSB, Ottawa Catholic SB, Ottawa-Carleton DSB, Renfrew County Catholic DSB, Renfrew County DSB, Upper Canada DSB.

The RIAM is also working towards acquiring the Supervisory Officer's Qualification Program, a certification required for all school boards' executives.

The governing bodies issuing the professional designations require that members complete continuing professional development/education on an annual basis to upkeep their proficiency and knowledge. This also includes an annual ethics training requirement. Each member of the RIAT received 5 days of training, leveraging associations within the K-12 sector, the Public Sector as well as professional organizations. The following are the main topics of the RIAT training in the 2022-23 school year:

- Ethics;
- Risk management;
- Cybersecurity;
- Violence Threat Risk Assessment;
- Diversity and Inclusion.

In addition to full time staff, RIAT, resorts to co-sourcing when a specialist is required or resources are limited in the performance of an engagement. In 2022-23, RIAT engaged the following firms to continue work undertaken in the previous year across the portfolio:

- MNP with the Covid 19 Lessons learned at one Board as well as the 22-23 Enrolment Project for the Ottawa Boards; and
- Robert Half with the Legislative Compliance project across four school boards.

## Quality Assurance

The charter requires that RIAT performs its function and operations in accordance with the Framework. Standard 1310 requires that both internal and external quality assessments be conducted on a periodic basis. The following provides further details on how the RIAM ensures quality and continuity in the RIAT's activities:

- *Internally*, the RIAM continuously ensures QA by performing activities such as: ongoing monitoring, reviewing of working papers and being present at exit interviews. In addition, the RIAT use an internal audit software<sup>3</sup> with audit program templates based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework<sup>4</sup>. A number of documents (such as the charter and the final reports) developed by the collective of RIAMs in Ontario, are based on the Framework's standards of practice.

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<sup>3</sup> Pentana

<sup>4</sup> See the following link for further information about COSO: <https://www.coso.org/Pages/default.aspx>



- *Externally*, the RIAM engaged the Institute of Internal Auditors<sup>5</sup> to evaluate and review the RIAT's Quality Self Assessment in the spring of 2021. The conclusion was that "It is the overall opinion of the IIA that RIAT generally conforms with the Standards and the Code of Ethics". For the administrative and governance areas where the IIA found the RIAT in partial or noncompliance, they issued recommendations which have now mostly been implemented<sup>6</sup>. The outstanding item is outside of RIAT's control, where the chairs of the Audit Committee at three of the nine school boards in the portfolio have not requested that a regular, private, in-camera session be included in the agenda.

### 2022-23 RIAT Annual Plan Activities

As per the Ministry of Education's 2016: B10 memo<sup>7</sup>, each Board should receive a minimum of two engagements a year, in addition to follow-up procedures on recommendations issued for previous audits (where necessary).

The RIAM prepares an annual or multiyear plan each year based on the risk assessments and input from Audit Committee Members and Management. The RIAM then provides the plan to the audit committee, for their approval and to make recommendations to the board of trustees.

#### 2022-23 Region-Wide Plan

Of 47 planned engagements:

- 26<sup>8</sup> (55%) were presented to AC;
- 6 (13%) were not initiated; and
- 15 (32%) were in the reporting, planning or fieldwork phase.

By August 31<sup>st</sup>, 2023, 34 (72%) projects were either presented to AC or in the report process, to be presented to AC at the beginning of the 2023-24 year.

<sup>5</sup> See the following link for the North America Chapter of the IIA: <https://na.theiia.org/Pages/IIAHome.aspx>

<sup>6</sup> See 2022-23 Annual Report on Internal Audit Activities presented to AC in September 2022.

<sup>7</sup> The complete list of B and SB memos can be found at this link: <https://efis.fma.csc.gov.on.ca/faab/Memos.htm>

<sup>8</sup> Includes follow-up reports

The following table presents a summary of the status of all RIAT engagements in the Ontario East Region:

	Completed <sup>9</sup>		Work In Progress <sup>10</sup>		Postponed		TOTAL	
	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22
Assurance and Consulting	17	15	15	10	6	5	38	30
Follow-up	9	3	-	6	-	-	9	9
<b>TOTAL</b>	<b>26</b>	<b>18</b>	<b>15</b>	<b>16</b>	<b>6</b>	<b>5</b>	<b>47</b>	<b>39</b>

RIAT staff participated in 32 Audit Committee meetings, including three for this school board. The RIAM also coordinated the Audit Committee training for new trustees and audit committee members for all the school boards in Ontario, with the support of the other RIAMs.

On the back end, the Ontario East RIAT members led the monthly RIAM meetings, participated in provincial meetings relating to Internal Audit, Cybersecurity and Legislative Compliance.

2022-23 School Board Plan

At the September 2022 Audit Committee meeting, Audit Committee members approved the following audit plan for the School Board:

Year	Audit	Status
2022-23	Safe Schools	Completed
2022-23	Fraud Policy Benchmarking (formerly SGF Fraud Flags Identification)	Report

<sup>9</sup> Presented to AC during the 2022-23 School Year

<sup>10</sup> Includes engagements in the planning, fieldwork or report phase

2022-23	Follow-up Procedures	Completed
<p>RIAT completed 100% of its 2022-23 plan.</p> <p><u>2022-23 Follow-up Procedures</u></p> <p>Following up on previous audit recommendations is a recurrent engagement on the yearly RIAT plan, where there are outstanding recommendations from previous audits.</p> <p>Across the Ontario East Region, in the spring of 2019, there were 298 recommendations outstanding versus 16 as of July 11<sup>th</sup>, 2023. This trend clearly demonstrates that the follow-up procedures of the past years is achieving its goal of ensuring that Management improves their internal control, where recommended.</p> <p>Where the recommendations are aging or there are a high number of recommendations, AC sometimes requests an implementation plan from Management. This indicates that AC training on Regulation 361/10, along with the periodic reporting from RIAT to AC on the number of outstanding recommendations is helping AC identify and act on internal controls deficiencies, hence fulfilling their responsibilities under Regulation 361/10.</p> <p>At this school board, RIAT conducted and presented follow-up procedures to the Audit Committee members in the spring 2022-23. There are currently no outstanding recommendations. This indicates that Management has actively implemented previous audit recommendations.</p>		
<p><b>Recommendations</b></p>		
<p>That the Limestone District School Board Audit Committee:</p> <ol style="list-style-type: none"> <li>1. Receives for information the 2023-24 Annual Report on Internal Audit Activities; and</li> <li>2. Approves the 2023-24 Regional Internal Audit Team Charter.</li> </ol>		
<p><b>Appendices</b></p>		
<ol style="list-style-type: none"> <li>1. 2023-24 Regional Internal Audit Team Charter</li> </ol>		



## **Regional Internal Audit Team Charter**

### **PURPOSE AND DEFINITION**

The purpose of the regional internal audit team is to provide independent, objective assurance and consulting services designed to add value and improve the district school boards' operations in the Ontario East region. It helps the district school boards accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

### **ROLE**

The regional internal audit activity is established by the Ministry of Education through the annual Grants for Student Needs funding. The oversight role of the Audit Committee of the Board of Trustees over the regional internal audit activity is established by Regulation 361/10.

### **PROFESSIONALISM**

The regional internal audit activity will adhere to the Institute of Internal Auditors' mandatory guidance including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the regional internal audit activity's performance.

### **AUTHORITY**

The regional internal audit activity, with strict accountability for confidentiality and the safeguarding of records and information is authorized full, free and unrestricted access to any and all of the district school boards' records, physical properties, and personnel pertinent to carrying out any engagement. All school board employees are requested to assist the regional internal audit team in fulfilling its responsibilities. The regional internal audit team will also have free and unrestricted access to school board leaders and to the Audit Committee of the Board of Trustees.

## **ORGANIZATION**

The internal audit function follows a regional model. The function consists of a Regional Internal Audit Manager (RIAM) responsible to district school boards in one of the eight regions in the province of Ontario as identified by the Ministry of Education. The Regional Internal Audit Manager will report functionally to their regional audit committees of the Boards of Trustees and administratively are supported by a host school board Senior Business Official. Every effort is made to adequately staff the internal audit function, within available financial resources, in order to perform its audit activities.

The functional reporting relationship between the RIAM and each Audit Committee of the Board of Trustees will be further demonstrated by each Audit Committee of the Board of Trustees for their Board performing the following functions:

- Approve the regional internal audit charter;
- Recommend for approval the risk based internal audit plan;
- Receive information from the Regional Internal Audit Manager about the internal audit activity performance to plan and other relevant matters;
- Inquire of the Regional Internal Audit Manager whether there are resource or scoping limitations; and
- Review annually the performance of the regional internal audit activity and provide the Board of Trustees with their comments regarding the performance of the Regional Internal Audit Manager.

The Regional Internal Audit Manager will interact directly with the Audit Committee of the Board of Trustees, including in-camera sessions and between audit committee meetings as appropriate.

## **INDEPENDENCE AND OBJECTIVITY**

The regional internal audit activity will remain free from interference by any element in the district school board including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of a necessary independent and objective mental attitude.

Regional internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair judgment.

Regional internal auditors will exhibit the highest standards of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Regional Internal Audit Manager will confirm to the Audit Committee of the Board of Trustees, at least annually, the organizational independence of the internal audit activity.

## **RESPONSIBILITY**

The scope of work of the regional internal audit team encompasses but is not limited to:

- Evaluating risk exposure relating to the achievement of the district school board's strategic objectives;
- Evaluating the reliability and integrity of information and the means used to identify measure, classify and report information;
- Evaluating the systems which ensure compliance with policies, procedures, applicable laws and regulations which impact the district school board;
- Evaluating whether resources are acquired economically, used efficiently, and are adequately protected;
- Evaluating operations and processes to ascertain whether results are consistent with established objectives and whether processes are functioning as planned;
- Performing consulting and advisory services or assessments of specific operations as requested by the Audit Committee of the Board of Trustees or district school board management as appropriate;
- Evaluating the effectiveness of the district school board's risk management and governance processes;
- Reporting periodically on the regional internal audit performance against plans; and
- Reporting significant risk exposures and control issues, including fraud risks, governance issues and other matters requested by the Audit Committee of the Board of Trustees.

## **INTERNAL AUDIT PLAN**

Annually, the Regional Internal Audit Manager will submit to district school board management and to the Audit Committee of the Board of Trustees an internal audit plan for recommendation to their Board of Trustees for approval. If there are any resource limitations or interim changes, these will be communicated.

The internal audit plan will be developed based on a prioritization of the internal audit universe using a risk based methodology which includes input of district school board management. The Regional Internal Audit Manager will review and adjust the plan as required in response to changes in the risk profile. Any significant deviation from the approved internal audit plan will be communicated through periodic status reports. The Regional Internal Audit Manager or any of his or her team may initiate and conduct any other audit or review deemed necessary for potential illegal acts, fraud, abuse, or misuse of funds. Reasonable notice shall be given to appropriate personnel of intent to audit in their areas except when conditions warrant an unannounced audit.



## REPORTING AND MONITORING

Opportunities for improving internal control may be identified during audits. A written report will be issued by the Regional Internal Audit Manager at the conclusion of each audit and will be distributed according to the school board's requirements. (This could include the head of the audited activity or department, the director of education, the audit committee and the external auditor of the district school board.)

Each report will describe opportunities to strengthen district school board risk, internal control and governance processes and conclude on the adequacy and effectiveness of the processes. The district school board management will provide action plans and timelines to address each opportunity (observation). The regional internal audit team is responsible to perform appropriate follow-up procedures to attest to the completion of action plans. Significant observations will remain in an open issue status until cleared.

When the RIAM concludes that management has accepted a level of risk that may be unacceptable to the organization, the RIAM will discuss the matter with senior management. If the RIAM determines that the matter has not been resolved, they will communicate the matter to Audit Committee of the Board of Trustees.

## QUALITY ASSURANCE

The regional internal audit team will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity and conformance with the International Standards for the Professional Practice of Internal Auditing.

The Regional Internal Audit Manager will communicate to district school board management and the Audit Committee of the Board of Trustees on the internal audit activity's quality assurance and improvement program, including the results of ongoing internal assessments and external assessments conducted as appropriate, usually on a five year cycle.

A handwritten signature in black ink that reads "Genevieve Segu".

Regional Internal Audit Manager Signature & Date

A handwritten signature in black ink that reads "Suzanne Rutter".

August 23, 2023

Audit Committee Chair Signature & Date

A handwritten signature in black ink, appearing to be initials "hsh".

August 23, 2023

Director of Education Signature & Date

## DEFINITION OF SELECTED TERMS

Add Value	Value is provided by improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.
Advisory/Consulting Services/Review	Advisory and related client service activities, the nature and scope of which are agreed to with the client and which are intended to add value and improve a school board's governance, risk management and control processes without the regional internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training. These activities can also be described as "review", interchangeably with "consulting".
Assurance	An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Results can be relied upon for supporting informed decision making.
Board of Trustees	A legislative body that that has overall responsibility and accountability for the district school board. For purposes of this Charter, this also includes committees that support the Board of Trustees including the audit committee.
Compliance	Conformity and adherence to policies, plans, procedures, laws, regulations, contracts or other requirements.
Control Environment	The attitude and actions of the Board of Trustees and district board management regarding the significance of control within the organization. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements: <ul style="list-style-type: none"> <li><input type="checkbox"/> Integrity and ethical values.</li> <li><input type="checkbox"/> Management's philosophy and operating style.</li> <li><input type="checkbox"/> Organizational structure.</li> <li><input type="checkbox"/> Assignment of authority and responsibility.</li> <li><input type="checkbox"/> Human resource policies and practices.</li> <li><input type="checkbox"/> Competence of personnel.</li> </ul>
Control/Internal Controls	Any action taken by district board management and other parties to enhance risk management and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved. The system of management controls (business plans, capturing and analyzing data, performance reporting, code of conduct, etc.) that are implemented within a school board to ensure that assets (human, physical and information) are protected and to provide reasonable assurance that its objectives can be achieved.



Control Processes	The policies, procedures and activities that are part of a control framework, designed to ensure that risks are contained within the risk tolerances established by the risk management process.
Fraud	Any illegal acts characterized by deceit, concealment or violation of trust. These acts are not dependent upon the application of threat of violence or of physical force. Frauds are perpetrated by parties and organizations to obtain money, property or services; to avoid payment or loss of services; or to secure personal or business advantage.
Governance	The combination of processes and structures implemented by the Board of Trustees in order to inform, direct, manage and monitor the activities of the organization toward the achievement of its objectives.
In-camera	A separate discussion between members of the Audit Committee and the Regional Internal Audit Manager promoting open communication and discussion of any sensitive issues or problems.
Independence	The freedom from conditions that threaten objectivity or the appearance of objectivity. Such threats to objectivity must be managed at the individual auditor, engagement, functional and organizational levels.
Objectivity	An unbiased mental attitude that allows regional internal auditors to perform engagements in such a manner that they have an honest belief in their work product and that no significant quality compromises are made. Objectivity requires regional internal auditors to not subordinate their judgment on audit matters to that of others.
Risk	Effect of uncertainty on objectives or outcomes.
Risk Management	A structured and disciplined approach aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the risks an organization faces. Overall, it is about choices made under conditions of uncertainty, balanced by acceptable levels of risk.