

Audit Committee Meeting Minutes – September 9, 2024

Public Meeting

Roll Call:

Trustees:	Staff:
Suzanne Ruttan	Krishna Burra
Garrett Elliott	Craig Young
Tiffany Lloyd	Paula Carson
	Lindsay Benjamin
External Members:	Recorder and Producer:
Christine Innocente	Danielle Burns, Recorder
Roger Richard-regrets	Anne Marie Andretta, Producer
Invitees:	
Lori Huber, KPMG External Auditor	
Pasquale L'orfono, Internal Auditor	

1. CALL TO ORDER

Superintendent Young called the meeting to order at 5:35 pm. Superintendent Young began the meeting with opening remarks.

2. ACTION ITEMS

2.1. ELECTION OF COMMITTEE CHAIR

Superintendent Young called for nominations for the position of Audit Committee Chair for the 2024-2025 school year. Trustee Ruttan nominated Trustee Lloyd. Superintendent Young called two more times for any other nominations, hearing none, Trustee Lloyd accepted the nomination. Trustee Lloyd assumed the Chair.

Chair Lloyd read the land acknowledgment. "The Limestone District School Board is situated on the traditional territories of the Anishinaabe and Haudenosaunee. We acknowledge their enduring

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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.”

3. ADOPTION OF THE AGENDA

Chair Lloyd asked if there were any additions to the agenda. Superintendent Young stated Manager Carson has a brief verbal report to add to Other Business.

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

***MOVED BY:** Trustee Elliott. Carried.*

4. DECLARATION OF CONFLICT OF INTEREST

None.

5. REPORTS

5.1. REPORTS FOR ACTION

5.1.1. 2024-2025 Internal Audit Plan and Appendix.

P. L’orfano, Limestone District School Board’s (“LDSB”) internal auditor, presented the 2024-2025 Internal Audit Plan. Normally on a cyclical basis the Regional Internal Audit Team (“RIAT”) would conduct a risk assessment, which has been done to this point, and then the RIAT would use that risk assessment to develop a three-year audit plan. Under the circumstances and with the changes in the RIAT, it has been agreed with managements approval, to present an audit plan that includes audits that are currently in progress or includes engagements from the previous three-year plan that have not yet been completed. The RIAT would like to allow the incoming Regional Internal Audit Manager (“RIAM”) to assess the risk assessment and have conversations with management to develop their own three-year plan and bring that to audit committee for approval. The RIAT will continue with the special education benchmarking agreement, however, should management require any special engagements, the RIAT will be accommodating the requests. G. Segu’s resignation letter from the position of RIAM can be found in the appendix.

Chair Lloyd asked for any questions. There were none.

***MOTION:** That the Limestone District School Board Audit Committee approve the 2024-2025 Internal Audit Plan.*

***MOVED BY:** Trustee Ruttan. Carried.*

5.1.2. 2024-2025 Annual Report and Appendix

P. L’orfano presented the 2024-2025 Annual Report. The report contains a confirmation of independence a description of the RIAT functions, a confirmation of conformance with the Code of Ethics and a summary of the 2023-24 activities. Overall, the RIAT, conducted 26

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engagements. 17 of those engagements were completed and presented to audit committees in the region. The RIAT attended and participated in 32 audit committees. For LDSB, the RIAT was able to complete the strategic risk assessment and follow up on the outstanding recommendations. The special education benchmarking engagement is currently in progress and will be presented to the audit committee during the 2024-25 school year. Due to the new change in the RIAM, a new regional internal audit charter will be required to be signed.

Chair Lloyd asked for questions. There were none.

MOTION: *That the Limestone District School Board Audit Committee approve the 2024-2025 Regional Internal Audit Team Charter.*

MOVED BY: *Trustee Ruttan. Carried.*

5.2. REPORTS FOR INFORMATION

5.2.1. Strategic Risk Assessment Final Report

P. L'orfano presented the Strategic Risk Assessment Final Report. The RIAT conducts strategic risk assessments to help align engagements with the top risks within the board. The benefits of conducting a risk assessment are, improved decision making, which helps identify potential threats and the potential reduction in costs and leads to development of risk mitigation strategies. The objective of the report is to present the audit committee with top risks as identified and prioritized by management. Specific criteria used can be found in the appendix of the report. The final result is a risk register, which identifies all the risks. The colour scale in the report provides the level of risk for each identified risk. The report highlights areas for the board to focus on, these areas are human resources, instructions in schools and information technology.

Chair Lloyd asked for any questions. There were none. Chair Lloyd thanked P. L'orfano for his hard work on the report.

5.2.2. KPMG Interim/Year End Audit

L. Huber. KPMG external auditor gave a brief verbal update on the interim and year end audit. The KPMG audit team has been into the board office to complete the planning and risk assessment and some interim audit procedures. At this stage the audit is well on track in accordance with the audit plan. There have been no surprises. The bulk of the work will for year end will happen in October.

Chair Lloyd asked for any questions. There were none.

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6. NEW BUSINESS

None.

7. OTHER BUSINESS

7.1. Fraud Reporting, Admin Procedure 553, Section 5: Protection Against Reprisals

Superintendent Young stated the Administrative Procedure 553-Fraud Reporting was passed in May at the audit committee and then at the Board level. Trustee Elliott had questions on section 5 – protection against reprisals. Trustee Elliott stated some boards refer to this type of policy as whistle blower protection. Trustee Elliott stated there were other boards that had passed very specific whistle blower policies, and they called it a whistle blower policy. Trustee Elliott questioned if there had been any research into this policy across other school boards. Superintendent Young stated Assistant Manager Benjamin looked at several school boards, and typically there is a section within their Fraud Reporting that contains whistleblower protection, or reprisal protection. In comparing language between LDSB's policy and other boards, most of them include a confidentiality clause. This could be added in LDSB's policy. LDSB could look at adding wording such as "The board will not reveal the identify of any person who makes an accusation in good faith and ask that their identity remain confidential. The anonymity of the person will be maintained to the fullest extent possible." Discussion ensued. Superintendent Young stated that LDSB's policy could be revised to add the confidentiality piece. Superintendent Young also suggested renaming the section 5 heading to include the words whistleblower protection. Chair Lloyd asked for any questions. Discussion ensued and the audit committee agreed these two items would be beneficial to add to the policy. Superintendent Young stated the changes would be brought forward at the next audit committee meeting in November.

7.2. Counterfeit Cheque Summary

Manager Carson shared there was a fraud attempt with a school cheque that had been issued in June 2024 for babysitting services at a Parent Council meeting. The cheque was deposited and cashed within two weeks. Then in July 2024, the same cheque was modified and issued to another payee in the amount of \$105. Through LDSB's internal control procedures, it was discovered that a duplicate cheque had gone through the bank account. LDSB investigated it and discovered that the duplicate cheque had been modified. Immediately LDSB contacted the bank to investigate and to stop this cheque from clearing. The bank determined this was a counterfeit cheque and were able to stop payment and this cheque did not clear LDSB's bank account. The bank advised LDSB to contact the Police regarding this. A report was filed with the City of Kingston Police department. To date, LDSB has not had a response from them. The bank believes this was a one-time event. LDSB is closely monitoring the bank account and there have been no other suspicious transactions to date.

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8. NEXT MEETING DATE

November 11, 2024

9. ADJOURNMENT

Chair Lloyd called for a motion to adjourn the meeting.

***MOTION:** To Adjourn.*

***MOVED BY:** C. Innocente. Carried.*

The meeting adjourned at 5:58 pm.

10. PRIVATE DISCUSSION BETWEEN AUDITORS AND THE AUDIT COMMITTEE