



Halton District School Board

AUDIT COMMITTEE

Virtual Meeting meet.google.com/rrq-xuxj-iwx (use calendar invite link or type into browser)

Tuesday, September 27, 2022

Public Session: 3:30 p.m.

PUBLIC SESSION AGENDA

1.0 – Opening

- 1.1 Welcome and Call to Order
- 1.2 Acknowledgement of Traditional Lands
- 1.3 Introduction of General Manager – Financial Services
- 1.4 Declarations of Possible Conflict of Interest/Annual Conflict of Interest Declaration Form *page 2*
- 1.5 Approval of the Agenda

2.0 – Ratification / Action

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- 2.1 Minutes of the Audit Committee Meetings
 - 2.1.1 Audit Committee Meeting, May 3, 2022 *pages 3-6*
- 2.2 2.2.1 Election of the Audit Committee Chair for 2022/2023 Per Regulation 361/10 Section 6(1) *page 7*
 - 2.2.2 Election of the Audit Committee Vice-Chair for 2022/2023 *page 8*
- 2.2 Approval of Business Transacted in Private Session (Chair)
- 2.4 Action Items
 - 2.4.1 Audit Committee Annual Report to the Board and Ministry (R. Negoj) *pages 9-14*
 - 2.4.2 Audit Committee Policy and Governance Procedure (R. Negoj) *pages 15-29*

3.0 – Communication to the Audit Committee

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- 3.1 For Information
 - 3.1.1 Agreed-upon Procedures Report – 7 Month Report (Deloitte) *pages 30-61*
 - 3.1.2 Regional Internal Auditor Status Report (A. Eltherington) *pages 62-63*
 - 3.1.3 Staff Mental Health Audit Terms of Reference (A. Eltherington) *pages 64-66*
 - 3.1.4 2021-2022 Financial Statement Process Updates (R. Negoj) *pages 67-68*
 - 3.1.5 Timelines for Financial Reporting Presentation to Board (R. Negoj) *pages 69-70*
 - 3.1.6 Recruitment of External Public Representative Member (R. Negoj) *page 71*
 - 3.1.7 Joint Election Compliance Audit Committee with HCDSB (R. Negoj) *pages 72-80*

4.0 – Other Business

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- 4.1 Public Questions and Answers (Submit via [Google Form](#))

5.0 – Adjournment

- 5.1 Motion to Adjourn

Date of Next Meeting – Tuesday, November 8th

**Declaration to the Chair of the Audit Committee of
the Halton District School Board
by a Member of the Audit Committee
as to Whether or Not the Member has a Conflict of Interest**

1.) **This Declaration applies to:**
(check one)

- a) my initial appointment to the Audit Committee;
- b) the first Committee meeting of the Audit Committee for the fiscal year 2022;
- c) any other time during my appointment.

2.) I _____, declare that I do not have a conflict of interest as
(name of member)
defined by Subsection 4(2) of O. Reg 361/10, *Education Act*, RSO 1990
C.E-2.
(strike out if inapplicable)

3.) I _____, declare that I have a conflict of interest as defined
(name of member)
by Subsection 4(2) of O. Reg 361/10, *Education Act*, RSO 1990 C.E-2
because one or more of my: parent(s), child(ren) or spouse is/are employed
by the Board at this time.
(strike out if inapplicable)

Dated at Burlington, Ontario this 27th day of September, 2022.

Audit Committee Member

Note: Subsection 4(2) O. Reg 361/10, *Education Act*, RSO 1990 C.E-2 states:

For the purposes of clause (1) (c), a person has a conflict of interest if his or her parent, child or spouse is employed by the board. O. Reg. 361/10, s. 4 (2).

**Halton District School Board
Audit Committee Public Session Meeting Minutes
Tuesday, May 3, 2022**

Attendance:

Trustee Members: L. Reynolds, A. Collard (Chair), J. Gray

Trustee Guests: T. Ehl Harrison

Public Representative: S. Malik, D. McKerrall (Vice Chair)

Staff: H. Camastro, C. Ennis, R. Negoj, C. Salemi, K. Samarin, J. Sweetman, E. Jabat, K. Raposo

Regional Internal Audit Team: A. Eltherington

External Auditor: L. Cheung, F. Liberatore

Regrets:

Agenda Item 1.0

1.1 Call to Order

- The Audit Committee Chair called the meeting to order at 3:31 p.m.

1.2 Acknowledgement of Traditional Lands

- On behalf of the Board, acknowledgement and thanks was given to the Mississaugas of the Credit First Nation for sharing their traditional territory with us.

1.3 Declarations of Possible Conflict of Interest

- No conflicts of interest were declared.

1.4 Approval of the Agenda

Motion: J. Gray & D. McKerrall

Be it resolved that the Agenda for the Public session of the Audit Committee Meeting for May 3, 2022 be approved as distributed. **Carried Unanimously.**

Agenda Item 2.0

2.1 Minutes of the Audit Committee Meetings

2.1.1 Audit Committee Meeting, February 22, 2022

Motion: D. McKerrall & L. Reynolds

Be it resolved that the minutes from the Public Session Audit Committee Meeting held on February 22, 2022 be approved as distributed. **Carried Unanimously.**

2.2 Approval of Business Transacted in Private Session (Chair)

Motion: A. Collard & D. McKerrall

Be it resolved that the Audit Committee select Option 1 as the process for tendering external audit services with services beginning in the 2022/2023 fiscal year. **Carried Unanimously.**

2.3 Action Items:

2.3.1 External Audit Plan for 2021/2022 Financial Statement Audit

- The Superintendent of Business Services opened discussion on the report and passed it over to our External Audit partner for further discussion on the document attached.
- The fees for this year's audit are \$78,960. This includes the seven-month Ministry report. In accordance with the regulation, the audit will take place within the expected time frame and cover the expected areas within our financial statements, both in terms of presentation and disclosure, as well as review of the material transactions.
- The Audit Service Plan is fairly consistent with last year. Six areas of audit risks are identified with one additional item relating to the new public sector accounting standards coming into effect in fiscal 2023.
- In terms of materiality to help guide assessing on a whole whether or not the financial statements are fairly presented, materiality is typically determined based on a 2.5% of total expenses on an overall financial statements level. A much lower threshold is used on an individual transaction basis. Any misstatements identified greater than 5% of materiality will be brought forward.
- The School Board makes use of their own actuary in the evaluation of employee future benefits. This will also be looked into this year as part of the overall audit plan to assess competency.
- Two new accounting standards coming into place. One is related to asset retirement obligations (ARO) and the other is related to financial instruments. Discussion with Management has been initiated to ensure adequate preparation for the implementation of the new standards for 2023. The Ministry of Education is preparing templates to assist school board in evaluating the ARO liability.

S. Malik joined meeting at 3:39 p.m.

- Auditor general's report focuses on financial reporting from the perspective of public sector accounting standards as a whole. The school board follows a modified version of public sector accounting standards based on the Ministry's template of financial statements and notes.

Motion: D. McKerrall & L. Reynolds

Be it resolved that the Audit Committee recommend to the Board of Trustees the approval of the external audit plan and the fees of \$78,960

excluding applicable taxes (attached as Appendix A) for the fiscal year ending August 31, 2022, prepared by the Board's external auditors, Deloitte LLP. **Carried Unanimously.**

2.3.2 Regional Internal Audit Plan for 2022/2023

- The Regional Internal Audit Manager presented the report.
- The Mental Health & Well-being for Students audit will be completed during 2021/2022.
- The Superintendent of Business Services confirmed to the Regional Internal Audit Manager's items identified in June 2021 are still high-risk items for the Board.
- RIAT is resourced to perform two audits per year and any related follow-up audits. The audit plan for 2022/2023 will include Mental Health & Well-being for staff and conducting Network Penetration Testing.
- The third audit of the Risk Mitigation on Equity and Inclusion will be conducted in 2023/2024.

Motion: D. McKerrall & L. Reynolds

Be it resolved that the Audit Committee recommends that the 2022/2023 Regional Internal Audit Plan which includes the Confirmation of Risk Management Strategic Objective 'Mental Health & Well-being' for staff, Network Penetration testing plus a follow-up review of Procurement and any remaining actions plans identified during the Special Education and Privacy audits be approved by the Board of Trustees. **Carried Unanimously.**

Agenda Item 3.0

3.1 Information Items

3.1.1 Regional Internal Auditor Status Report

- 2022/2023 Regional Audit Plan as discussed is approved.
- An Annual Independence Assertion is presented once a year to the Audit Committee confirming the Regional Internal Audit team is organizationally independent and are allowed to carry out their responsibilities free from any interference.

3.1.2 Timelines for Financial Reporting Presentation to Board

- The Superintendent of Business Services presented the report and responded to questions.
- The last quarterly report presented to the Board on March 14 shows HDSB is on track financially; however, the entire contingency has been allocated to emerging challenges and management is monitoring closely to ensure we stay within budget.
- Next quarterly report will be submitted in June. We are also looking at the budgets for the upcoming year with the presentation going to the

Committee of the Whole on May 11th with a proposed draft budget and the report for approval will be at the second board meeting in June.

- Grants for Student Needs have been received earlier this year, at similar levels with prior year, including the continuation of Covid-19 supports. There is always a risk that funding can change with a new incoming government. Even the same government can put regulations in place and modify the grants in the year.
- A significant grant about \$5.7 million was received for tutoring supports and it was announced in March with the spend starting April 1st to December 31st. As learning gaps require continuous support the deadline of December 31st to spend these funds presents challenges, as additional funding is required to maintain the support of learning recovery for the balance of the year.

3.1.3 2022:SB06 Memo – 2020-21 Audit Committee Annual Report to the Ministry

- The Superintendent of Business Services presented the report for information.
- There were no questions on this report.

Agenda Item 4.0

4.1 Public Questions and Answers

Agenda Item 5.0

5.1 Motion to Adjourn

Motion: D. McKerrall & J. Gray

Be it resolved that the Public Session of the Audit Committee Meeting held on May 3rd, 2022 be adjourned at 4:07 p.m.

- Next scheduled meeting date – Tuesday, September 27, 2022



Halton District School Board

Date: September 27, 2022

FOR DECISION

TO: Audit Committee

FROM: Roxana Negoi, Superintendent of Business Services and Treasurer

RE: **Election of Audit Committee Chair 2022/2023**

Warrant

This report outlines the requirements under the Audit Committee Regulation to hold an election of the Audit Committee Chair

Background

The election of the Audit Committee Chair is required at the September meeting as per Audit Committee Regulation 361/10.

Chair of the audit committee

6. (1) At the first meeting of the audit committee in each fiscal year, the members of the committee shall elect the chair of the committee for the fiscal year of the board from among the members appointed to the committee. O. Reg. 361/10, s. 6 (1); O. Reg. 204/15, s. 1.

Audit Committee members will be asked to put their names forward for consideration as Chair at the meeting.

Recommendation

Be it resolved that _____ be appointed as Chair of the Audit Committee for the 2022/2023 fiscal year

Respectfully submitted,

Roxana Negoi, Superintendent of Business Services and Treasurer



Halton District School Board

Date: September 27, 2022

FOR DECISION

TO: Audit Committee

FROM: Roxana Negoï, Superintendent of Business Services and Treasurer

RE: **Election of Audit Committee Vice-Chair 2022/2023**

Warrant

This report outlines the process to hold an election of the Audit Committee Vice-Chair

Background

The election of the Audit Committee Chair is required at the September meeting as per Audit Committee Regulation 361/10. The Halton District School Board Audit Committee also holds an election process for a Vice-Chair to act in the capacity of Chair in the absence of the Audit Committee Chair. The election of the Audit Committee Vice-Chair will follow the election of the Audit Committee Chair.

Audit Committee members will be asked to put their names forward for consideration as Vice-Chair at the meeting.

Recommendation

Be it resolved that _____ be appointed as Vice-Chair of the Audit Committee for the 2022/2023 fiscal year

Respectfully submitted,

Roxana Negoï, Superintendent of Business Services and Treasurer

Schedule 22A: Assets Held for Sale Continuity

		Assets Held for Sale - Opening Balance September 1	Assets Held for Sale - Prior Year Opening Balance Adjustments.	Assets Held for Sale - In-year Additions	Assets Held for Sale - Additional Expenditure on AHFS	Assets Held for Sale - In-year Disposals
		Col. 1	Col. 2	Col. 3	Col 4	Col. 5
1	Land & Land Improvement with Infinite Lives	7,825,473		75,197		-7,825,473
2	Land Improvements			30,466		
3	Buildings - 40 years			3,620,130		
4	Other Buildings					
5	Permanently Removed From Service - Buildings - 40 years					
6	Total Assets Held for Sale	7,825,473		3,725,793		-7,825,473

Schedule 22A: Assets Held for Sale Continuity

		Assets Held for Sale - Closing Balance March 31	Assets Held for Sale - Proceeds of Disposition	Assets Held for Sale - Gain on Disposal	Assets Held for Sale - Loss on Disposal
		Col. 6	Col. 7	Col. 8	Col. 9
1	Land & Land Improvement with Infinite Lives	75,197	28,558,637	20,733,164	
2	Land Improvements	30,466			
3	Buildings - 40 years	3,620,130			
4	Other Buildings				
5	Permanently Removed From Service - Buildings - 40 years				
6	Total Assets Held for Sale	3,725,793	28,558,637	20,733,164	

Note: Normally, if there are expenditures on Assets Held for Sale they are expensed during the year. However, if the amount is material, please consult with your auditors to see if it qualifies for adding it to the AHFS

Schedule 22A: Assets Held for Sale Continuity - Inter-Entity TCA Transactions

	Asset Serial Number	Asset Name	Internal Source - Disposals	Cost - Disposals
School Boards				
School Boards GRE Entity 1	-		0000 - Enter name / Entrer un nom	-
School Boards GRE Entity 2	-		0000 - Enter name / Entrer un nom	-
School Boards GRE Entity 3	-		0000 - Enter name / Entrer un nom	-
School Boards GRE Entity 4	-		0000 - Enter name / Entrer un nom	-
School Boards GRE Entity 5	-		0000 - Enter name / Entrer un nom	-
School Boards GRE Entity 6	-		0000 - Enter name / Entrer un nom	-
School Boards GRE Entity Subtotal	-		-	-
Colleges				
College GRE Entity 1	-		0000 - Enter name / Entrer un nom	-
College GRE Entity 2	-		0000 - Enter name / Entrer un nom	-
College GRE Entity 3	-		0000 - Enter name / Entrer un nom	-
Colleges GRE Entity Subtotal	-		-	-
Hospitals				
Hospital GRE Entity 1	-		0000 - Enter name / Entrer un nom	-
Hospital GRE Entity 2	-		0000 - Enter name / Entrer un nom	-
Hospitals GRE Entity Subtotal	-		-	-
Agencies, Boards & Commissions				
Agencies, Boards & Commissions GRE Entity 1	-		0000 - Enter name / Entrer un nom	-
Agencies, Boards & Commissions GRE Entity 2	-		0000 - Enter name / Entrer un nom	-
Agencies, Boards & Commissions GRE Entity Subtotal	-		-	-

Note: Of the assets disposed, please list those that were sold to an internal source (i.e. Other Broader Public Sector entities). Please provide the cost and accumulated amortization of the asset when it was transferred from TCA to assets held for sale. The Ministry requires this information for consolidation purposes.

Schedule 22A: Assets Held for Sale Continuity - Inter-Entity TCA Transactions

	Accumulated Amortization	Proceeds of Disposition	Gain on Sale	Loss on Sale
School Boards				
School Boards GRE Entity 1	-	-	-	-
School Boards GRE Entity 2	-	-	-	-
School Boards GRE Entity 3	-	-	-	-
School Boards GRE Entity 4	-	-	-	-
School Boards GRE Entity 5	-	-	-	-
School Boards GRE Entity 6	-	-	-	-
School Boards GRE Entity Subtotal	-	-	-	-
Colleges				
College GRE Entity 1	-	-	-	-
College GRE Entity 2	-	-	-	-
College GRE Entity 3	-	-	-	-
Colleges GRE Entity Subtotal	-	-	-	-
Hospitals				
Hospital GRE Entity 1	-	-	-	-
Hospital GRE Entity 2	-	-	-	-
Hospitals GRE Entity Subtotal	-	-	-	-
Agencies, Boards & Commissions				
Agencies, Boards & Commissions GRE Entity 1	-	-	-	-
Agencies, Boards & Commissions GRE Entity 2	-	-	-	-
Agencies, Boards & Commissions GRE Entity Subtotal	-	-	-	-

Note: Of the assets disposed, please list those that were sold to an internal source (i.e. Other Broader Public Sector entities). Please provide the cost and accumulated amortization of the asset when it was transferred from TCA to assets held for sale. The Ministry requires this information for consolidation purposes.



MEMO

TO: Halton District School Board Audit Committee
 FROM: Andrea Eltherington, Regional Internal Audit Manager
 DATE: September 27, 2022
 SUBJECT: Regional Internal Audit Status Report – Open Committee Session

This memorandum will serve to update the Audit Committee on the Regional Internal Audit Team's (RIAT) work since May 3, 2022.

A. Update

On July 10, 2022, Waterloo Region District School Board experienced a cyber incident. The incident has affected the Regional Internal Audit team's ability to access their files which may result in a delay in the execution of the approved audit plans.

B. Planned Audits

The Procurement Audit Follow-up is scheduled to begin in September.

The Staff Mental Health and Well-being terms of reference is attached for your reference.

The audit is scheduled to begin in October.

C. RIAT Education and Training Plan**Objective:**

1. To report on RIAT compliance to International Standards for the Professional Practice of Internal Auditing standard #1230-Continuing Development.
2. To define training plans to develop and maintain professional competencies.

Completed 2021-22

Auditor	Training Focus	Date
All Auditors	<ol style="list-style-type: none"> 1. Municipal Internal Auditors Association 2. OASBO Internal Audit 3. Relevant seminars/websites on fraud, ethics, privacy and IT Security offered by the various institutes. 	May 5, 2022 On-going and when relevant throughout the year



Andrea Eltherington	<p>Courageous Conversations</p> <p>Personal Effectiveness Through Emotional Intelligence</p> <p>Osgoode Human Rights for Education Professionals</p> <p>Andrea confirms that she has met the annual continuing education requirements of the IIA and ISACA</p>	<p>Jan. 5 & 12, 2022</p> <p>Mar. 3 & 4, 2022</p> <p>Feb. 25 & 26, and Apr.1 & 2, 2022</p>
Dondon Luce	<p>IIA Toronto Symposium – The Grand Reopening</p> <p>Don confirms that he has met the annual continuing education requirements of the IIA and ISACA.</p>	May 10 & 11, 2022
Mohamad Alkhen	<p>Continue to study for the CIA</p> <p>Mohamad confirms that he has met the annual continuing education requirements of the CPA, ACFE and IIA.</p>	
Cathy DeLuca	<p>Cathy confirms that she has met the annual continuing education requirements of the CPA.</p>	

Planned 2022-23

Auditor	Training Focus	Date
All Auditors	<ol style="list-style-type: none"> OASBO Internal Audit Relevant seminars/webinars on fraud, ethics, privacy and IT Security offered by the various institutes. MIAA fall training 	On-going and when relevant throughout the year
Mohamad Alkhen	Continue studying for the CIA designation	On-going

Acronyms

ACFE – Association of Certified Fraud Examiners
 IIA – Institute of Internal Auditors
 ISACA – Information System Audit and Control Association
 CIA – Certified Internal Auditor
 CPA – Chartered Professional Accountant
 CISA – Certified Information Systems Auditor
 MIAA – Municipal Internal Auditors Association



MEMO

TO: Sari Taha, Superintendent of Human Resources
Roxana Negoï, Superintendent of Business & Treasurer

C.C.: Audit Committee
Curtis Ennis, Director of Education
Tina Salmini, Associate Director

FROM: Andrea Eltherington, Regional Internal Audit Manager

DATE: 15 September 2022

SUBJECT: Confirmation of Risk Mitigation Strategies for Strategic Objective
'Mental Health & Well-Being' for Staff Terms of Reference

This is the terms of reference for the Confirmation of Risk Mitigation Strategies for Strategic Objective 'Mental Health & Well-Being' for staff.

BACKGROUND

During 2020-2021, the Board introduced a strategic risk management process and with support from consulting resources, has compiled an initial risk register of threats and opportunities to be managed so that the risk that strategic objectives of the Board won't be met, can be managed. It is proposed that the audit plan focus on confirming the 'current people, processes, or systems in place' defined in the Corporate Risk Profile for the following corporate risks:

- That staff well-being may be negatively impacted.

The Operational Plan was presented to the Board of Trustees on April 14, 2021 for approval. The plan outlines strategies and actions to support the five pillars of the Multi Year Plan, one of which is Mental Health and Well-Being.

OBJECTIVES

To assess that the controls described as 'current people, processes, or systems in place' are properly designed and operating in a manner that mitigate the impacts to staff well-being.

AUDIT SCOPE

It is proposed that the following structure be used to assess the effectiveness each 'control' that management has stated mitigates the stated risk:

- Has an 'owner' been assigned to each control statement (who);



- Is there a definition or description about the specifics of each control statement (how). Do strategies defined in the Operational Plan support the control statement;
- Does each plan include a time-frame (when);
- Has a criteria/measurement been developed to measure the impact of the control statement; and
- What is the frequency that the risk register is updated with actual measures which may require the control to be revised.

SCHEDULING

The Regional Internal Audit Manager and Senior Regional Internal Auditor met with the Superintendent of Human Resources and the Manager, Employee Health and Wellness on August 24, 2022 to discuss the objectives of the audit, the scope, and the timing. This audit is expected to carry over the 2022-2023 school year as the operational strategies are implemented and evidence is gathered for management to measure the impact the strategies have had on targets established to measure expected outcomes by 2024.

KEY CONTACTS

Name	Title	Phone	E-mail
Sari Taha	Superintendent of Human Resources	905-335-3665	sari.taha@hdsb.ca
Lisa Cadotte	Manager, Employee Health and Wellness	905-335-3665	cadottel@hdsb.ca
Tina Salmini	Associate Director	905-335-3665	salminit@hdsb.ca
Roxana Negoii	Superintendent of Business & Treasurer	905-335-3665	negoir@hdsb.ca
Andrea Eltherington	Regional Internal Audit Manager	519-571-5220	andrea_eltherington@wrdsb.ca
Cathy De Luca	Senior Regional Internal Auditor	905-414-4824	cathy_deluca@wrdsb.ca

AUDIT TEAM

The audit team will include the following members:

Audit Planning and Audit Execution

Cathy De Luca, CPA, CA, Senior Regional Internal Auditor

Andrea Eltherington CIA, CRMA, CISA, Regional Internal Audit Manager



AUDIT APPROACH

As part of the professional practice standards, certain evidence must be obtained to support the results of audit tests and on which the final audit opinion is based.

As the audit progresses, we will endeavor to keep you informed as to the progress made and share with you any preliminary findings. As field work nears completion, a meeting will be scheduled to discuss all preliminary findings in advance of preparing a draft report.

A draft report will be compiled summarizing the results of the audit and will be distributed for discussion purposes to those staff who will be asked to respond to the final draft report. The purpose is to ensure our interpretation of the facts is correct; to seek clarification where we may have misinterpreted test evidence or to obtain additional information we may not have been aware of. Once the draft has been revised, the report will be formally issued for you to provide your management action plan in response. We would ask that your response be provided back to us within two to four weeks after the draft has been issued. It is a requirement of the International Standards for the Professional Practise of Internal Auditors (IPPF) that the final report contain the conclusion and opinion with respect to the assessment of the process, under review. The final audit report will be presented immediately thereafter and to the Audit Committee at the next scheduled meeting.

If you have any questions about this audit, please do not hesitate to contact me at 519-571-5220.



Halton District School Board

Date: September 27, 2022
FOR INFORMATION

TO: Audit Committee

FROM: Roxana Negoii, Superintendent of Business Services and Treasurer

RE: **2021-2022 Financial Statements Process Updates**

Background

The Board's audit and year end process is tracking well against set timelines. Management however wanted to bring to the Audit Committee's attention a few potential changes and an area of concern.

The Ministry of Education has released memorandum [2022:SB24 – 2021-22 Financial Statements \(District School Boards\)](#) on September 20, 2022, outlining the instructions for the audited financial statements. It is expected the financial statements and disclosure template that will form the base of the Halton District School Board's (HDSB's) audited financial statements, may incorporate changes suggested in the Ontario Auditor General's value for money audit from 2021. Management will work with the external audit team to address and incorporate any such changes.

Also, as a result of the recommendations made in the Ontario Auditor General's value for money audit, the Ministry is directing district school boards to consolidate their proportionate share of Ontario School Boards' Insurance Exchange (OSBIE). While the memo states this is to be compliant with the Canadian Public Sector Accounting Standards (PSAB), both management and our external auditor have expressed concern about the ability to prove control over OSBIE and to measure what HDSB's proportionate share would truly be. To further complicate the matter, OSBIE's year end differs from HDSB's year end, which means the consolidated data will cross fiscal years. As a result, Deloitte has informed us of potentially not being compliant with PSAB, and that this consolidation may result in a qualified audit opinion. It is also possible the Board may need to request the Ministry for an extension to submit the financial statements, if the information required for consolidation with OSBIE is not provided to us before the end of October.

The Ministry of Education and the Council of Senior Business Officials (COSBO) are scheduling a meeting to discuss the impact of this consolidation and determine a plan of action. Management will keep the Audit Committee informed should there be emerging updates before the November 8th Audit Committee meeting.

*Roxana Negoj,
Superintendent of Business Services and Treasurer*



Halton District School Board

INFORMATION FOR AUDIT COMMITTEE

2021/2022 FISCAL YEAR

Budget Presentation	June 2, 2021	Budget 2021/2022 Report 21086 and Full Operating & Capital Budget Report
Budget Approval	June 16, 2021	Approved Budget 2021/22 Link M21-0113
Revised Estimates	December 15, 2021	Revised Estimates 2021-22 Link Report 21164
Quarterly Financial Report for the period ending November 2021	January 5, 2022	Report 22005
Quarterly Financial Report for the period ending February 2022	March 14, 2022	Report 22041
Quarterly Financial Report for the period ending May 2022	June 15, 2022	Report 22085
Financial Statements – Audit Committee	November 8, 2022	
Financial Statements – Board Presentation and Board Approval	November 9, 2022	

2022/2023 FISCAL YEAR

Budget Development	February 2, 2022	Report 22016
Budget Presentation to Committee of the Whole	February 9, 2022	Committee of the Whole Presentation

PUBLIC SESSION

Budget Presentation	June 1, 2022	Budget for 2022/2023 Report 22068 and Full Operating and Capital Budget Report
Budget Approval	June 15, 2022	Approved Budget 2022/23 Link M22-0111
Revised Estimates	December 7, 2022	
Quarterly Financial Report for the period ending November 2022	January 11, 2023	
Quarterly Financial Report for the period ending February 2023	March 22, 2023	
Quarterly Financial Report for the period ending May 2023	June 21, 2023	
Financial Statements – Audit Committee	November 2023	
Financial Statements – Board Presentation and Board Approval	November 2023	



Halton District School Board

Date: September 27, 2022
FOR INFORMATION

TO: Audit Committee

FROM: Roxana Negoj, Superintendent of Business Services and Treasurer

RE: **Audit Committee External Member Recruitment**

Background

The membership and term of office for the Audit Committee are outlined in Ontario Regulation 361/10 made under the Education Act. The Halton District School Board (HDSB) Audit Committee is formed by three Trustee representatives and 2 non-Trustee members who are appointed in accordance with the regulation and the Audit Committee Governance Procedure. The non-Trustee members serve for a three-year term and have the ability to serve a maximum of two terms. In the event that a qualified candidate is not identified, a non-Trustee member may serve an additional term.

The non-Trustee member terms end on December 31, 2022, with one member completing their first term with the option to serve a second term, and one member completing their second term. As a result, the HDSB will be advertising at least one position for a non-Trustee Audit Committee member this fall. Below are the key timelines and next steps:

- Confirm the upcoming vacancies – September 27, 2022
- Post position(s) for a period of 30 days – September 30, 2022
- Schedule interviews – During November 2022
- Confirm appointed non-Trustee member(s) – December 2022
- Start of new term – January 1, 2023
- Orientation Training – January/February 2023

Updates will be provided at the November 8, 2022 Audit Committee meeting.

Roxana Negoj,
Superintendent of Business Services and Treasurer

Halton District School Board

Report Number: 22098

Date: September 14, 2022

FOR DECISION

TO: The Chair and Members of the Halton District School Board

FROM: Curtis Ennis, Director of Education
Roxana Negoi, Superintendent of Business Services and Treasurer

RE: **Joint Election Compliance Audit Committee with HCDSB**

Background:

School boards are required to establish a Compliance Audit Committee by October 1, of an election year, under section 88.37 (1) of the Municipal Elections Act (MEA).

The municipal election in Ontario will take place on October 24, 2022, therefore the Halton District School Board (HDSB) is required to have a Compliance Audit Committee in place by October 1.

Recommendation:

Be it resolved that the Board of Trustees approve the draft [Terms of Reference](#) appended to report 22098 with respect to establishing a Joint Election Compliance Audit Committee with the Halton Catholic District School Board for the 2022 to 2026 term of office, as defined in the Municipal Elections Act, 1996; and

Be it further resolved that the Board of Trustees delegate responsibility to the Director of Education for the selection and appointment of two members to the Joint Compliance Audit Committee, on behalf of the Halton District School Board for a term beginning November 15, 2022 and ending November 14, 2026.

Rationale:

The MEA provides the minimum composition requirements for Compliance Audit Committees, under section 88.37 (2):

The committee shall be composed of not fewer than three and not more than seven members and shall not include,

- (a) employees or officers of the municipality or local board;*
- (b) members of the council or local board;*
- (c) any persons who are candidates in the election for which the committee is established; or*
- (d) any persons who are registered third parties in the municipality in the election for which the committee is established.*

Halton District School Board

To expedite a selection and appointment process of the minimum three (3) members, in accordance with legislated time frame, coterminous school boards Halton and Halton Catholic District School Boards have agreed to form a joint committee, with each board appointing two (2) members.

Terms of Reference have been drafted and reviewed by legal counsel to establish:

- that the committee will convene only to deal with applications received during the 2022-2026 term of office;
- how the joint committee will fulfill its obligations with respect to applications received for each member board;
- how each board will provide resources to the committee if and/or when an application is received for each respective board.

The Terms of Reference also acknowledges the Administrative Procedures of each member board.

Staff have consulted with legal counsel, which has confirmed the above committee composition and terms of reference adhere to the legislative requirements under the MEA, 1996.

Public appointed members of the HDSB Audit Committee, Sana Malik and Dan McKerrall, have accepted an invitation to serve on the Joint Compliance Audit Committee on behalf of the HDSB for the 2022-2026 term.

Respectfully submitted,

Roxana Negoj

Superintendent of Business Services and Treasurer

Curtis Ennis

Director of Education

Joint Compliance Audit Committee Terms of Reference

If a Participating School Board receives an application for a Compliance Audit of election campaign finances, that board will be solely responsible for Meeting administration and covering all costs associated with the Committee, including audits, if required.

1. Definitions

"Act" means the Municipal Elections Act, 1996, S.O. 1996, c. 32, as amended from time to time.

"Applicant" means the individual who submitted the application requesting a Compliance Audit.

"Auditor" means a person appointed by the Committee, licensed under the Public Accounting Act, 2004, S.O. 2004, c. 8 to conduct a Compliance Audit of a Candidate's election campaign finances pursuant to Section 88.33(10) of the Act.

"Auditor's Report" means a report prepared by an Auditor for the Committee pursuant to Section 88.33(12) of the Act.

"Board" means one of the Board of Trustees of the Halton District School Board or the Halton Catholic District School Board;

"Candidate" means the candidate whose election campaign finances are the subject of an application for a Compliance Audit.

"Clerk" means, as the context provides, the Clerk of any of the lower-tier municipalities of Halton Region, or the Clerk of Halton Region, or his or her designate.

"Committee" means the Joint Compliance Audit Committee established pursuant to Section 88.37(1) of the Act.

"Committee Member(s)" means a member or members, as appropriate, of the Joint Compliance Audit Committee established pursuant to Section 88.37(1) of the Act.

"Compliance Audit" means an audit of a Candidate's election campaign finances conducted by an Auditor appointed by the Committee.

"Contributor" means an individual or organization that has made a financial donation to a candidate or registered third party in an election campaign.

"Family Member" means a parent, spouse, or child of a Committee member, as defined in the Municipal Conflict of Interest Act, and shall also include a grandparent, grandchild, brother, sister, uncle, aunt, nephew or niece, whether related by blood, marriage or adoption.

"Halton Region" means The Regional Municipality of Halton.

"Meeting" means a meeting of the Committee.

"Municipal Conflict of Interest Act" means the Municipal Conflict of Interest Act, R.S.O. 1990, c. M.50, as amended from time to time.

"Participating School Board" means one or both of the Halton Catholic and/or the Halton District School Boards.

"Pecuniary Interest" means a direct or indirect interest within the meaning of the Municipal Conflict of Interest Act.

"Regional Clerk" means the Clerk of Halton Region.

"Registered Third Party" means an individual resident in Ontario, a corporation carrying on business in Ontario or trade union who has filed with the clerk of the municipality responsible for conducting an election a notice of registration to be a registered third party for the election pursuant to Section 88.6 of the Act.

"Secretary of the Board" means the Director of Education, or persons designated to carry out the duties as Secretary of the Board for the purpose of supporting the Joint Compliance Audit Committee, for one or both of the Halton Catholic School Board and/or the Halton District School Board.

"Trade Union" means a trade union as defined in the Labour Relations Act, 1995 or the Canada Labour Code (Canada) and includes a central, regional or district labour council in Ontario.

2. Enabling Legislation and Mandate

Section 88.37(1) of the Act requires that before October 1st in an election year, local boards establish a compliance audit committee. The mandate of the Committee is to carry out the functions of a compliance audit committee as set out in the Municipal Elections Act.

3. Roles and Responsibilities

The Committee shall carry out the responsibilities provided in each of the Participating Board's Election Audit Compliance Committee Procedures, and in accordance with all applicable sections of the Municipal Elections Act.

These responsibilities include:

- Consider Compliance Audit applications for Candidates;
- Provide written reasons for the decision to grant or reject the applications;

- If required, appoint an Auditor to conduct a Compliance Audit of Candidate's election campaign finances;
- Receive the Auditor's Report and consider the necessary next steps, pursuant to Board Procedures and/or provisions of the Municipal Elections Act; and
- When required:
 - Participate in the selection of an Auditor;
 - Provide instructions to the selected Auditor about the scope of each Compliance Audit, as needed;
 - Determine a timeline for the Auditor to complete each Compliance Audit.

4. Term

The term of the appointment of the Committee is the same as the term of office of the Board of Trustees of the Participating Boards that take office following the next regular election, and the term of office of the Members of the Committee is the same as the term of the Committee to which they have been appointed, unless the Committee member is disqualified or resigns.

Upon the term's expiry, Committee members may be considered to serve additional terms.

5. Composition

The Committee shall be composed of not fewer than three (3) and not more than seven (7) members and shall not include:

- (a) employees or officers of the Participating Municipalities or Participating School Boards;
- (b) members of Council of the Participating Municipalities or Participating School Boards;
- (c) any persons who are Candidates in the election for which the Committee is established, or Family Members of same, or any person connected to a Candidate through an employment, contractual, business or partnership relationship;
- (d) any persons who have participated as a Candidate for an office or Registered Third Party in the Participating Municipalities or run for Regional Chair in the past two regular elections, or who have conducted audits or provided financial or legal advice in respect of such campaigns;
- (e) any persons who do or intend to assist any Candidate or Registered Third Party, as a volunteer or for compensation, in the election for which the Committee is established.

6. Selection of Members

Committee membership will be drawn from the externally appointed members of the respective audit committees of the Participating School Boards.

To avoid possible conflicts of interest, any auditor or accountant appointed to the Committee must confirm and agree in writing that they have not undertaken and shall not undertake the audits or preparation of financial statements of any Candidates seeking election to Councils, the

Participating School Boards, or Registered Third Parties in the Participating Municipalities during the term of the Committee. In addition, any lawyer or other legal professional appointed to the Committee must confirm and agree in writing that they have not provided and will not provide legal advice to any Candidates seeking election to Councils, the Participating School Boards, or any Registered Third Parties or contributors to Candidates and Registered Third Parties in the election in the Participating Municipalities during the term of the Committee.

7. Notice

Notice of a Committee Meeting shall be delivered in the format and manner consistent with committee meetings of the Participating School Board requiring the services of the Committee.

The Secretary of the Board shall give notice of a Committee Meeting to the Committee by email, telephone or by regular mail.

Where an application will be considered at the Meeting, the Secretary shall give reasonable notice by email, telephone or by regular mail to the Applicant and Candidate, as applicable, of the time, place and purpose of the Committee Meeting, and of the fact that if either party fails to attend the Meeting, the Committee may proceed in the party's absence and the party will not be entitled to further notice concerning the Meeting.

Where a Clerk's Report regarding contribution limit exceedances will be considered at the Meeting, the Secretary of the Board shall give reasonable notice by email, telephone or by regular mail to the Contributor and Candidate or Registered Third Party as applicable, of the time, place and purpose of the Committee Meeting, and of the fact that if either party fails to attend the Meeting, the Committee may proceed in the party's absence and the party will not be entitled to further notice concerning the Meeting.

8. Meetings

The Committee shall meet only when one or both of the Participating School Boards has received an application for a Compliance Audit under Section 88.33 or Section 88.35 of the Act, or where one or both has received a Clerk's Report under Section 88.34 or Section 88.36.

The Secretary of the Board shall call a Meeting of the Committee when they receive an application for a Compliance Audit under Section 88.33 or Section 88.35 of the Act or where they have received a Clerk's Report under Section 88.34 or Section 88.36 of the Act. The Applicant and the Candidate or Registered Third Party or their representative will be provided with an opportunity to address the Committee and provide written submissions.

Meeting dates, start times and locations shall be set by the Secretary of the Board that has received the application for a Compliance Audit. Meetings may be held by electronic means, in accordance with applicable regulations of the Education Act pertaining to committee meetings, if public health measures advising limits on in person gatherings are in force or it is otherwise

deemed advisable by the Secretary of Board. Such electronic Meetings shall be conducted in such a manner as to permit public observation of the proceedings, with the exception noted below.

Committee Meetings will be open to the public but the Committee may deliberate in private, as noted in Section 88.33(5.1) of the Act. The Secretary of the Board must be present during any private deliberation sessions. No votes may be taken in the private session.

9. Quorum

A quorum shall be a majority of Committee members.

If a quorum is not present within thirty (30) minutes of the time fixed for the commencement of the Meeting, the Committee Meeting will be rescheduled to a future date.

10. Voting and Decisions

The Committee will render its decision(s) in accordance with the Act. The Committee must come to consensus and decision(s) of the Committee shall be the will of majority.

11. Selection of the Chair

The Chair shall be selected from among the Committee Members at the first Meeting of the Committee. If there is no consensus on a Chair, selection will be carried out by way of nomination and vote of the Committee Members present.

12. Duties of the Chair

The Chair shall:

- (i) call Committee Meetings to order when there is a Quorum, preside over Committee discussions, facilitate Committee business, follow Meeting procedures, identify the order of proceedings and speakers and rule on points of order.
- (ii) participate as an active member.
- (iii) encourage participation by all members.

If the Chair is not present within the first ten minutes of a Committee Meeting or is absent through illness or otherwise, the Committee shall select another member as Acting Chair. While presiding, the Acting Chair shall have all the powers of the Chair. Selection of the Acting Chair will be made by resolution.

13. Duties of Committee Members

The duties of Committee Members are as follows:

- (i) carry out all statutory obligations of the Committee in accordance with the Municipal Elections Act.
- (ii) disclose to the Chair and Secretary of the applicable Board, any reason(s) that may disqualify the Member from participating in the proceedings of the Joint Compliance Audit Committee.
- (iii) attend all Committee Meetings, sending regrets otherwise.
- (iv) understand their role, the Committee's mandate and Meeting procedures.
- (v) declare any pecuniary interest in any matter prior to consideration by the Committee and refrain from discussion and voting on the matter. If the declaration relates to a matter being discussed during a closed portion of the meeting, the Member must leave the Meeting during all discussion on the matter.
- (vi) where the pecuniary interest of a Member has not been disclosed by reason of the Member's absence from the Meeting, the Member shall disclose the pecuniary interest and otherwise comply with subsection (iv) at the next Meeting of the Committee attended by the Member.
- (vii) participate as an active and voting Member, asking questions, and seeking clarification through the Chair.
- (viii) assist in drafting the reasons for a decision, as applicable.
- (ix) develop and maintain a climate of mutual support, trust, courtesy and respect.
- (x) work together to utilize the knowledge, expertise and talents of all Members.
- (xi) respect the decisions of the Committee and that such decisions reflect the majority view.
- (xii) should the need arise, provide written resignation from the Joint Compliance Audit Committee, with the effective date of resignation, to the Chair and copied to the Secretaries of the Participating School Boards.

14. Selection of an Auditor

Committee Members will participate in the selection of an Auditor as required by one or both of the Participating School Boards. The Auditor will be appointed by resolution of the Committee. The engagement letter will indicate that the Auditor has been engaged by the Committee and will be prepared and executed by the appropriate Secretary of the Board, or other officer of the board as may be designated, on behalf of the Participating School Board.

15. Resources

When an application for Compliance Audit is received by a Participating School Board, the Secretary of the respective Board will provide administrative support to the Committee, including the taking of minutes, the distribution of minutes and agendas, providing notice(s), and the coordination of Meetings.

16. Committee Records

When an application for Compliance Audit is received by a Participating School Board, the Secretary of the respective Board will coordinate and retain Committee records pertaining to any application(s) and/or related decisions, including agendas and minutes.

17. Declaration of Interest

Legislated requirements as set out in the Municipal Conflict of Interest Act shall apply to all Committee members. It is the responsibility of each Member to disclose any pecuniary interest prior to discussion of a particular matter. Members are encouraged to seek independent legal advice if they are unsure of whether or not they have a pecuniary interest in a matter. Staff from the Participating School Boards will not provide advice or interpretation related to declarations of conflicts of interest.

18. Compensation

Each member appointed to the Committee will receive an honorarium for attending meetings, in accordance with the respective board policy or procedure related to honoraria and committee meeting attendance.

19. Practices and Procedures

The Secretaries of the Board(s) shall establish administrative practices and procedures for the Committee in accordance with Section 88.37(6) of the Act and shall carry out any other duties required under the Act to implement the Committee's decisions.

The Secretaries of the Participating School Board(s) are delegated the authority to make administrative changes to these Terms of Reference that may be required from time to time due to legislative changes, or if, in the opinion of the Secretaries, the amendments do not change the intent of the Terms of Reference.