



Halton District School Board

AUDIT COMMITTEE

Large Boardroom, J.W. Singleton Education Centre

Tuesday, February 14, 2023

Private 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 Audit Committee Members and Participants
- 1.4 Presentation of Inspire Award
- 1.5 Declarations of Possible Conflict of Interest
- 1.6 Conflict of Interest Declaration Form *page 2*
- 1.7 Approval of the Agenda

2.0 – Ratification / Action***page***

- 2.1 Minutes of the Audit Committee Meetings
 - 2.1.1 Audit Committee Meeting, November 8, 2022 *pages 3-7*
- 2.2 Approval of Business Transacted in Private Session (Chair)
- 2.3 Action Items
 - 2.3.1 Internal Audit Charter Update (A. Eltherington) *pages 8-14*
 - 2.3.2 Recommendation for the External Auditor Appointment for the 2022-2023 Financial Statement Audit (R. Negoï) *pages 15-16*

3.0 – Communication to the Audit Committee***page***

- 3.1 For Information
 - 3.1.1 Board Report on Budget Development and Schedule (R. Negoï) *pages 17-25*
 - 3.1.2 Timelines for Financial Reporting Presentation to Board(R. Negoï) *pages 26-27*

4.0 – Other Business***page***

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

5.0 – Adjournment

- 5.1 Motion to Adjourn

Date of Next Meeting – *suggested Tuesday, May 3, 2023**This publication is available in accessible formats upon request*

**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 2022-2023;
- ☐ 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 14th day of February 2023.

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, November 8, 2022**

Attendance:

Trustee Members: A. Collard, J. Gray, L. Reynolds

Trustee Guests: T. Rocha

Public Representative: D. McKerrall

Staff: H. Camastro, J. Chanthavong, C. Ennis, R. Negoï, E. Jabat, C. Salemi, K. Samarin, S. Sweetman

Regional Internal Audit Team: A. Eltherington

External Auditor: L. Cheung

Regrets: S. Malik

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: D. McKerrall / J. Gray

Be it resolved that the Agenda for the Public session of the Audit Committee Meeting for November 8, 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, September 27, 2022

Motion: J. Gray / D. McKerrall

Be it resolved that the minutes from the Public Session Audit Committee Meeting held on September 27, 2022 be approved as distributed. **Carried Unanimously.**

2.2 Approval of Business Transacted in Private Session (Chair)

Motion: D. McKerrall/J. Gray

Be it resolved that the Audit Committee approve the private session 2021/2022 Management Letter of Recommendations from the External Auditor. **Carried Unanimously.**

Trustee L. Reynolds joined the meeting at 3:33 p.m.

2.3 Action Items:

2.3.1 Recommendation to Board – 2021/2022 Financial Statements

- Cash balance is significantly higher from previous year as a result of payments received for short term financing on capital projects and the sale of one school property
- The adoption of accounting standards changes as it relates to the presentation and disclosure of financial statements was relatively simple and is reflected in the statements. Future accounting standards adoption with the biggest impact for school boards is the asset retirement obligation. The Ministry has provided some direction. A compilation of assets to help determine and measure the obligation for the school board is in the works
- *2021/2022 Financial Statements and Accumulated Surplus Balances*
 - Board of Trustees to approve the reallocation of the surplus balance. The Board completed the year with a \$3.5 million operating deficit. It is proposed to reallocate \$4 million from the operating undesignated surplus into the internally restricted. \$2 million is designated to the Multi-Year / student achievement reserves and \$2 million into the capital fund for the administrative facility
 - New note disclosures – Note 17 – OSBIE - School boards do not have any control over the entity and no details to determine the proportionate share of the Board. In addition, the HDSB and OSBIE have entered into a reciprocal, legal binding agreement. Given that requirements for control cannot be met and the measurement of proportionate share cannot be accurately determined, this could lead to a qualified opinion on the financial statements
 - Ministry requested school boards to consolidate OSBIE during the 2021/2022 year-end, however, consolidation has been deferred until March 2023. The Ministry to work with school boards and OSBIE to determine the proportion of consolidation.
 - Chair A. Collard calls for a motion. Trustee L. Reynolds puts forth a motion on the floor with the support of fellow Audit Committee members that a letter be addressed to the Ministry and the Auditor General of Ontario expressing concerns about the Ministry recommendation to consolidate the Board's proportional share of OSBIE into the Board's financial statements

- **Motion: L. Reynolds / D. McKerrall**

Be it resolved that the Audit Committee requests additional information from the Ministry to determine the magnitude of measuring the Board's proportional share accordingly and how it should be reflected into the Board's financial statements. **Carried Unanimously.**

- *Report to the Audit Committee on the 2021/2022 Audit*

- Financial statements are free from material misstatements resulting in a successful and clean audit this year.
- Testing was performed on eleven Purchasing Cards (PCards) – PCards at six schools and five PCards at a departmental level. The size of PCard audit is a small sample compared to the number of cardholders, however, PCards are intended for low dollar purchases

Motion: L. Reynolds/D. McKerrall

Be it resolved that the Audit Committee recommends the audited financial statements of the Halton District School Board for the fiscal year ended August 31, 2022 be approved by the Board of Trustees. **Carried Unanimously.**

Agenda Item 3.0

3.1 Information Items

3.1.1 Supplemental Reporting

- ***Annual Statement of Education Development Charges (EDC) Report***
 - By-laws have a five-year term, however on an annual basis depending on market values for land valuations, the member boards can reassess whether or not the by-law amounts should be adjusted. The regulation limits how much is levies can be increased year over year which results to the Board falling behind in recovering funds needed to purchase school sites
 - New EDC by-law to be approved by May 2023 and will be provided to the Board of Trustees
 - Looking at the EDC levies over a fifteen-year period, there is a significant shortfall of funds projected. The concern is the gap between the amount of levies that will be collected versus the market value of school sites
 - Capital funding to build new schools is also below the construction costs, putting the Board in a position to have to spend proceeds of disposition or possibly surplus funds to complete the construction of the school
 - There are provincial committees working together with school board staff and the Ministry in hopes collaborating brings issues forward

- ***Summary of Trustee Expense Report as of 2021/2022***
 - The Superintendent of Business Services presented the report
 - The Summary of Expenses Reimbursements section in the package reads August 31, 2020. The date should be August 31, 2022. Date is reflected correctly in the Board package
- ***Summary of School Generated Funds 2021/2022***
 - The Superintendent of Business Services presented the report
 - School generated revenues of \$8.2 million and related expenditures of \$8 million. There was approximately \$4.2 million rollover at the end of the 2021/2022 year
 - Column A1 “year of date” reads 2020/2021. The year should be 2021/2022. The year is reflected correctly in the Board package
 - The Board is encouraging schools to spend collected funds to bring down the rollover balance. Some of the rollover is for activities taking place in the next school year where fees are collected in advance. Currently working with schools to complete their fundraising plans to spend the surplus funds
 - The Manager of School Financial Services noted that cash is much higher due to IB programs where fees are collected in the preceding school year

3.1.2 SB28 – Update on OSBIE Consolidation to School Board Financial Statements

- The challenge is the ability to prove control over OSBIE and the amount of work to determine and measure HDSB’s proportionate ownership share
- Ministry issued a memorandum to defer the requirement to consolidate to March 2023 reporting. The Ministry will work with school boards, school authorities and OSBIE in order to determine the proportion of consolidation

3.1.3 Timelines for Financial Reporting Presentation to Board

- The Superintendent of Business Services presented the report
- Links for the reports will be added and updated as each report is presented to the Board

3.1.4 Halton Student Transportation Services 2021/2022 Financial Statements

- 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

- There were no questions submitted from the Public

4.2 Special Acknowledgement

- Superintendent of Business Services along with the members on the Audit Committee and Director of Education thanked D. McKerrall for sharing all his expertise and dedicating his time and effort served on the Audit Committee
- As a token of appreciation such as a donation or award to a school and/or student will be presented in D. McKerrall's honor for all he has contributed to the Board during his two terms on the Audit Committee

Agenda Item 5.0

5.1 Motion to Adjourn

Motion:

Be it resolved that the Public Session of the Audit Committee Meeting held on November 8th, 2022 be adjourned at 4:42 p.m.

- Next scheduled meeting date – Tuesday, February 14, 2023



MEMO

TO: Halton District School Board Audit Committee
FROM: Regional Internal Audit Team
DATE: February 14, 2023
SUBJECT: Regional Internal Audit Mandate – Open Committee Session

This memorandum will serve to update the Audit Committee on the proposed changes to the Regional Internal Audit Mandate.

- A. The internal audit mandate formally defines the purpose, authority and responsibility of the regional internal audit function. As indicated in Ministry Memo 2016:SB31 'Update on Regional Internal Audit Consistency Measures' the mandate must be re-signed when there are changes in the make-up of the committee (such as a change in Director of Education, Chair of the Audit Committee or the Regional Internal Audit Manager) so that all parties understand the role and mandate of the regional internal audit team.

In addition, there have been a few changes to the mandate based on a discussion with the Senior Business Officials in the West of Central Region.

All of the changes have been highlighted in red. A revised copy is included in the package along with a copy signed by the Regional Internal Audit Manager.

Recommendation:

Be it resolved that the Audit Committee approve the revised Regional Internal Audit Mandate.



Regional Internal Audit 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 West of Central 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 reporting relationship between the RIAM and each Audit Committee will be further demonstrated by each Audit Committee 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 and the Senior Business Official 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 **in conjunction with the Audit Committee/Board chair and/or the Director of Education and/or the Senior Business Officer 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.~~

If management decides to accept a certain level of risk after considering compensating controls, the remaining risk will be disclosed to the Audit Committee.

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.

Regional Internal Audit Manager

Audit Committee Chair

Director of Education

Dated



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 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"> <input type="checkbox"/> Integrity and ethical values. <input type="checkbox"/> Management's philosophy and operating style. <input type="checkbox"/> Organizational structure. <input type="checkbox"/> Assignment of authority and responsibility. <input type="checkbox"/> Human resource policies and practices. <input type="checkbox"/> Competence of personnel.
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.

Halton District School Board

Date: February 14, 2023

FOR DECISION

TO: Audit Committee

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

RE: **Recommendation for the External Auditor Appointment for 2022/2023 Financial Statement Audit**

Recommendation:

Be it resolved that the Audit Committee recommend to the Board of Trustees the appointment of the external audit firm Deloitte LLP to perform the annual financial statements audit and the agreed-upon procedures report for the 2022/2023 fiscal year, at a cost not to exceed \$85,200 + HST.

Rationale:

Ontario Regulation 361/10 s. 9 (4) 1, states the following:

An audit committee of a board has the following duties related to the board's external auditor:

1. To review at least once in each fiscal year the performance of the external auditor and make recommendations to the board on the appointment, replacement or dismissal of the external auditor and on the fee and fee adjustment for the external auditor.

Following a procurement process for the selection of external auditors in 2023, the external audit firm, Deloitte LLP, was the Evaluation Committee's recommended proponent for appointment of a 5 year term beginning in the 2022/2023 fiscal year. This will be the first year of their term.

An annual assessment of the performance of the external auditors was performed at the September 27, 2022 Audit Committee meeting in private session. The overall result of the consolidated assessment was positive.

The fee for the 2022/2023 HDSB year-end consolidated financial statements audit and the agreed-upon procedures report is quoted at \$85,200 + HST. As part of the implementation of PS 3280, Asset Retirement Obligations, we expect there will be additional audit procedures required that fall outside of the scope of the year-end financial statements audit and agreed-upon procedures. When the scope of this work has been determined, the fees will be agreed upon with Deloitte LLP prior to billing.

Respectfully submitted,

Roxana Negoï

Superintendent of Business Services and Treasurer

Curtis Ennis

Director of Education

Halton District School Board

Report Number: 22153

Date: December 1, 2022

FOR INFORMATION

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

FROM: R. Negoï, Superintendent of Business Services and Treasurer
C. Ennis, Director of Education

RE: **2023/2024 Budget Development**

Background

This report is intended to present the 2023/2024 Budget Development Schedule and the Board's Budget Objectives.

Reporting

The fiscal year for all School Boards in Ontario is in alignment with the school year and runs from September 1 to August 31. According to Ministry of Education reporting and accountability requirements, a School Board's budget must be submitted to the Ministry by the end of June preceding the start of the fiscal year in question. Consequently, the 2023/2024 budget must be submitted prior to the end of June 2023.

Provincial Perspective

The education sector continues to feel the challenges of navigating the landscape during a pandemic. During the 2022/2023 fiscal year, both the Federal and Provincial governments have provided significant financial resources to support school boards in addressing the requirements for additional staffing to support both in person and virtual learning models, student learning recovery, mental health and well being of students, enhanced cleaning and ventilation in schools, provide additional technology to students and staff, and provincially procured personal protective equipment (PPE). During the year, further resources were announced to provide tutoring support to students, delivered through programs within schools and community partners. At this point into the budget development process, it is unknown if these timed investments will continue into the next year.

Over the past two years, enrolment trends have shifted provincially, with families moving from urban centers to rural areas. The Greater Toronto Area boards, including Halton District School Board (HDSB), have experienced declining enrolment or reduced growth trends as a result. Other factors contributing to reduced growth include lower kindergarten registrations, decrease in international students and lower levels of immigration. Looking at 2023/2024, enrolment growth is expected to pick up within urban centers, immigration trends are increasing and there has been more interest from international students to resume their studies within Ontario.

To compound the challenges of planning for next year, the Province, Trustee Associations and school boards are engaged in labour negotiation with all employee groups. To date, only one union has reached an agreement, which is still pending ratification from members. As these negotiations are ongoing, the full impact of the changes is not yet known. Centrally agreed upon terms are funded through a formula within the Grants for Student Needs. While the intent is to fully fund changes resulting from the central table, formulas sometimes fall short of the actual cost. Overall it is expected that these changes will be provincially funded and not impact the school boards budgets in any significant way.

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On October 11, 2022, the Ministry released the 2023/2024 Education Funding Consultation Guide (attached as appendix A), soliciting input into the budgeting process. This year's guide focuses on 3 areas:

- Identifying initiatives and areas where there could be a reduction in the administrative burden or an opportunity for further efficiencies,
- Identifying opportunities to reduce the time to complete major capital projects, and
- Exploring more opportunities for joint use schools.

The Superintendent of Business Services participated in the development of the Council of Senior Business Officials (COSBO) education funding submission, which considered input from all school boards. Trustee representatives on the Ontario Public School Boards Association (OPSBA) also provided input into the association's submission to the Ministry of Education. Further, the Director of Education collaborated on education funding through the Regional Education Council.

Revenue – Grants for Student Needs (GSN)

The Ministry of Education allocates funding to school boards using a model referred to as Grants for Student Needs (GSN) that is based on enrolment and the needs of students in each board. In 2022/2023, the HDSB projected to receive approximately 90.0% (\$774 million) of total operating revenue from GSN funding. Specific funding allocation details are normally provided to Boards following the passing of the provincial budget. In the past few years, this information has been made available in late March or early April. The timing of these funding announcements present challenges for boards in the province given that certain major decisions, such as staffing, need to be made in advance of final budget discussions.

Given the focus of the Education Funding consultation guide, it is expected that overall, the grants will remain consistent to the current year. The biggest unknown is whether, and to what extent, the timed investment in COVID-19 supports, learning recovery, ventilation and tutoring supports will be renewed. There is also a provincial working group reviewing the transportation allocation and transportation parameters. The Superintendent of Business is part of this provincial group that is expecting to wrap up recommendations that will impact the funding allocation for the 2023/2024 GSN. This will result in a reallocation of the grant provincially, with some boards receiving more and some receiving less than their current allocation.

Some of the challenges with the GSN is that the grants are not keeping up with inflation and other costing pressures, such as regulated increases to contributions for statutory benefits (CPP and EI). Outside of the GSN, rental revenues and community use of schools are anticipated to return to pre-pandemic levels, increasing interest rates will result in higher investment income, Education Development Charges which are dependent on development volumes continue to increase year over year, and school level fundraising is slowly returning to normal levels.

Board Perspective

Objectives of Budget Development Process

The key objective of the Budget Development Process is to align the allocation of resources with the annual Operational Plan of the Board, the 2020-2024 Multi-Year Plan, and the Special Education Plan; identify school-based staffing requirements; identify budget challenges and opportunities; and gather input from the various stakeholder groups. The budget development process also considers the corporate risk profile in determining the allocation of resources. Updates to the corporate risk profile are aligned with the development

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of the annual Operational Plan and its progress review. These inform any changes in direction or initiatives required to support the five key strategic commitments, which are then reflected in the Estimates budget and updated in the Revised Estimates budget.

The 2023/2024 budget timelines are attached to this report. A survey will be developed in February, seeking input into the upcoming budget process. Results will be presented to the Board of Trustees in April. A budget presentation will be scheduled for April 2023 at the Committee of the Whole meeting, with a draft budget proposed for May 2023. The final budget will be presented to the Board for final approval in June 2023.

Multi-Year Plan 2020-2024 and Operational Plan

The budget development process aligns the allocation of resources to the Board's strategic priorities and operating goals identified in the annual operating plan. The 2020-2024 [Multi Year Plan](#) list the Board's key strategic commitments:

- **Equity & Inclusion** -- champion supportive and inclusive practices to ensure equitable access to positive opportunities and outcomes for all
- **Mental Health & Well-Being** -- strengthen safe and caring environments that promote well-being
- **Learning & Achievement** -- create learning conditions to elevate student achievement
- **Environmental Leadership** -- take action for a sustainable world
- **Indigenous Perspectives & Awareness** -- promote knowledge and understanding of Indigenous perspectives and realities

The 2023/2024 Operational Plan and Special Education Plan will be developed and approved in June 2023, and will build on the current year plans. The budget development process will align the allocation of resources in order to support these plans.

Enrolment

The Halton District School Board is projecting a decrease in enrolment in the elementary panel of 264 students and an increase of 446 students in the secondary panel, for a total overall increase of 182 Average Daily Enrolment (ADE) compared to 2022/2023 Revised Estimates budget, and approximately 482 ADE more than the original 2022/2023 Estimates budget. The decrease in elementary panel is as a result of larger grade 8 cohorts moving into the secondary panel, while the entry grades remain relatively consistent. These preliminary numbers do not consider international students, which are expected to also see an uptake as we emerge from the pandemic.

Rationale:

The Halton District School Board has always been financially responsible with a clear focus on providing the system with the resources and supports necessary to champion inclusive and equitable practices, strengthen safe environments, create learning conditions for all, promote knowledge and understanding of Indigenous perspectives and take action for a sustainable world. Staff will update the budget assumptions as information becomes available, and report updates to the Board at future meetings.

Respectfully submitted,

R. Negoj, Superintendent of Business and Treasurer

C. Ennis, Director of Education

Halton District School Board

Timelines for 2023/2024 Budget Development

November/December 2022

Education Funding Consultations

- Provide feedback to senior administration and include in the next Board report
- Collaborate with COSBO on GSN Consultation submission
- Provide feedback on Education Funding at the Regional Education Council
- Start Administrative Council budget planning meetings

Budget Development Report

- Budget objectives, schedule, funding, consultation, review of budget assumptions

January/February 2023

Administrative Council budget planning meetings continue

Senior Staff budget meetings

- Individual meetings with budget owners
- Identifying gaps and priorities, aligned to the MYP
- Review corporate risk profile and align to resource allocation

Budget Survey

- Deploy online budget survey
- Staff budget meetings
- Trustee input

March/April 2023

Administrative Council meetings to form recommendations

Trustee Budget Meeting(s)

Discussion re: Alignment of Financial Resources

Multi-Year Plan

Annual Operational Plan

Special Education Plan

Corporate Risk Profile

Review of Budget Parameters

Preliminary Enrolment

Revenue Assumptions

Expenditure Assumptions

Review ratified agreements implications

Review details of 2023/2024 GSN

Overview of Grant Revenue Calculation (based on GSN release)

Review Expenditures to ensure alignment with GSN

Discuss restraint measures if required

Review of Accountability and Reporting Requirements

Review Trustee Input

Review Stakeholder Input

Presentation/review with Board of Trustees and SEAC

May/June 2023

Trustee Budget Meeting(s)

Review of draft budget

Review Administrative Council recommendations

Update on Trustee Input

Update on Stakeholder Input

Update on Communication Plan

Continue to discuss restraint measures if required

Board Meeting

Budget finalized

Budget filed with Ministry and posted on the Board's website

2023-24 Education Funding Consultation Guide

INTRODUCTION

After two years of pandemic disruptions, the government is looking ahead and remains focused on ensuring students receive the best stable learning experience possible. Ontario has launched its [Plan to Catch Up](#), focused on getting students back on track and strengthening the skills they need for the jobs of tomorrow. For the 2022-23 school year, the province will continue to support the learning recovery journey of all students, including those disproportionately affected by learning disruptions.

Ontario is also investing record funding for the 2022-23 school year of over \$26.6 billion – the highest investment in public education in Ontario’s history. This includes a \$683.9 million increase in Grants for Student Needs (GSN) funding, with projected total funding of \$26.1 billion. In addition, over \$500 million is being provided in Priorities and Partnership Funding (PPF).

Finally, as you are aware, the ministry is currently engaging with its education labour partners in the bargaining process for new collective agreements with teachers and education workers in Ontario’s publicly funded education system. The government is committed to a fair and fiscally responsible approach for new collective agreements, while ensuring stability for students and families. Once new collective agreements have been reached and ratified, the GSN will be updated accordingly.

For more information about the current education funding model, please see [Education funding, 2022-23](#) on the Ministry of Education’s website.

ABOUT THIS CONSULTATION

As in previous years, the government remains committed to discussing education funding reform in Ontario with education stakeholders through a consultation process that allows stakeholders to provide the benefit of their expertise, experience, and ideas. This year’s guide focuses on three key priorities:

- Efficiencies and reducing administrative burden
- Capital: Reducing time to completion for capital projects
- Capital: Joint use of schools

You may also submit feedback on education funding topics not outlined in this guide.

To ensure your feedback is considered, please forward your electronic submission by **November 15, 2022** to: EDULABFINANCE@ontario.ca. If your organization would benefit from a virtual meeting to provide feedback on this year’s consultation, please submit a request to the ministry at this same email address, and the ministry would be pleased to

arrange one. If you have questions about this consultation, please send them to the email address noted above.

EFFICIENCIES AND REDUCING ADMINISTRATIVE BURDEN

The ministry continues to look for ways of reducing administrative burden and aligning program implementation with ministry priorities, while ensuring strong accountability and value for money.

To further support the ministry's efforts to streamline reporting while also reducing administrative burden for transfer payment recipients, for 2022-23 the ministry has transferred five Priorities and Partnerships Funding (PPF) and Other Languages in Education (OLE) allocations into the GSN.

For the upcoming school year, the ministry will continue to provide school boards with Integrated (multi-project) Transfer Payment Agreements (TPAs) through Transfer Payment Ontario (TPON), the centralized digital system for government transfer payments.

The ministry is continuing to implement a phased approach in the adoption of TPON, to enable further efficiencies in the administration and management of TPAs. Reporting will be the next phase added to TPON focusing on the reduction and/or streamlining of reporting requirements. School boards will be able to access, complete, and submit PPF reporting requirements through TPON, with further details to be provided in the Fall.

Considerations:

- 1. What other initiatives could support the reduction of administrative burden or further streamline reporting for the education sector?**
- 2. What are the areas where there is potential or opportunities to find new efficiencies?**

CAPITAL: REDUCING TIME TO COMPLETION FOR CAPITAL PROJECTS

Schools and child care centers are crucial in supporting the well-being and positive development of students and children. The Ontario government's education infrastructure plan includes providing \$14 billion over 10 years to support school construction, repair, and renewal. There are over 400 major capital projects at various stages of development worth \$4B.

The time to completion for capital projects, from original funding approval by the Ministry to completion of the project/opening of a school/child care, varies considerably across the province. Some school boards have completed their major capital construction projects in as little as two years while other school boards have taken more than ten years to complete projects.

To ensure needs of communities are met in a timely manner and to deliver good value for Ontario taxpayers, the ministry will be working with school boards to reduce the time to completion for approved projects.

Considerations:

- 1. What are the relevant considerations and opportunities to shorten each phase of planning and construction (planning, design, municipal approvals, approval to proceed (Ministry Approval), procurement, construction, opening)?**

CAPITAL: JOINT USE OF SCHOOLS

The ministry continues to look for ways of optimizing the use of existing educational infrastructure. Overall, school utilization across Ontario is about 90%. On the whole, there is significant surplus school capacity throughout the province.

With student migration and changing demographics, it is an ongoing exercise to try to ensure that school capacity meets the needs of all four school systems at a local level. Where a school board may experience an enrolment decline, there may be a coterminous school board experiencing growth. While new developments often require the construction of new local schools by multiple school boards, there are also areas, both rural and urban areas, with declining enrolments and increasing surplus school capacity. In both circumstances, joint use schools may provide increased program opportunities for students and capital and operating efficiencies through better utilization of school facilities, as currently demonstrated on various arrangements throughout the province. In developing accommodation plans, school boards are encouraged to consider collaborative capital project arrangements between school boards to maximize the opportunities for co-

location. This may include two or more school boards working together to improve the utilization of existing school facilities and reduce surplus space by co-locating into an existing facility, or by exchanging schools to better utilize existing capacity.

Considerations:

- 1. What impediments do school boards face when considering opportunities for Joint-Use schools with their co-terminus school boards?**
- 2. There are a number of successful joint-use arrangements in place. What are the elements of success (governance, administrative practices, conflict resolution, etc.) that be replicated and scaled up across current and potential joint use arrangements?**

CONCLUSION

Each year, the ministry holds discussions with education partners, outside of the annual funding engagements, to discuss both policy and funding mechanisms. As student mental health and well-being will continue to play a critical role in students catching-up, beginning this Fall, the government looks forward to hearing from consultations with parents, students, and experts like children's hospitals, on how to best strengthen learning to support student mental health and well-being.

As always, we thank you for your continued collaboration and partnership to support Ontario students. We remain committed to working closely with you to facilitate the next school year, with the best interest of Ontario's students in mind.

Thank you for taking the time to read this guide, and we look forward to receiving your submission.



Halton District School Board

INFORMATION FOR AUDIT COMMITTEE

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
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	Revised Estimates 2022/23 Report 22160 and Presentation
Quarterly Financial Report for the period ending November 2022	January 11, 2023	Report 23005
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	

2023/2024 FISCAL YEAR

Budget Development	December 7, 2022	Report 22153
Committee of the Whole Budget Planning Presentation and Trustee Input	March 8, 2023	
Committee of the Whole Budget Presentation	April 13, 2023	
2023/2024 Budget Stakeholder Feedback Results and Budget Updates Board Reports	April 19, 2023	
Committee of the Whole Budget Presentation	May 10, 2023 or May 24, 2023	
Draft Budget Report	June 7, 2023	
Budget Approval	June 21, 2023	
Revised Estimates	December 2023	